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DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS FOR 1995

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PT. 3

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRD CONGRESS

SECOND SESSION

SUBCOMMITTEE ON VA, HUD, AND INDEPENDENT AGENCIES

LOUIS STOKES, Ohio, *Chairman*

ALAN B. MOLLOHAN, West Virginia	JERRY LEWIS, California
JIM CHAPMAN, Texas	TOM DELAY, Texas
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ESTEBAN EDWARD TORRES, California	
RAY THORNTON, Arkansas	

PAUL E. THOMSON, MICHELLE M. BURKETT, and ROBYN C. BASON, *Staff Assistants*

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DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS FOR 1995

THURSDAY, MARCH 3, 1994.

FEDERAL EMERGENCY MANAGEMENT AGENCY

WITNESSES

JAMES L. WITT, DIRECTOR, FEDERAL EMERGENCY MANAGEMENT AGENCY
JOHN D. HWANG, ASSOCIATE DIRECTOR FOR OPERATIONS SUPPORT
RICHARD W. KRIMM, ASSOCIATE DIRECTOR FOR RESPONSE AND RECOVERY
DONALD L. COLLINS, DEPUTY ADMINISTRATOR, FEDERAL INSURANCE ADMINISTRATION
DENNIS H. KWIATKOWSKI, DEPUTY ASSOCIATE DIRECTOR FOR PREPAREDNESS, TRAINING AND EXERCISES
ROBERT H. VOLLAND, ACTING DEPUTY ASSOCIATE DIRECTOR FOR MITIGATION
WILLIAM C. TIDBALL, CHIEF OF STAFF
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BARBARA A. JACOBIK, BUDGET OFFICER
WILLIAM R. PARTRIDGE, DEPUTY INSPECTOR GENERAL
RICHARD SHIVAR, PROGRAM ANALYST, OFFICE OF POLICY AND ASSESSMENT

OPENING REMARKS

Mr. STOKES. The committee will come to order.

This is the hearing for the Federal Emergency Management Agency. FEMA is requesting $393,276,000 for its operating programs in fiscal year 1995. This request is $15,557,000, or 4.1 percent, above the fiscal year 1994 level.

In addition, FEMA is requesting $320 million for the Disaster Relief Fund. For fiscal year 1995, the Administration is proposing to transfer the Emergency Food and Shelter program to the Department of Housing and Urban Development.

Finally, FEMA is proposing that the Radiological Emergency Preparedness program be fully funded by offsetting receipts. The 1995 budget requests a total of 2,717 workyears, an increase of 101 above the 1994 level in the operating programs.

This morning we will be hearing from Mr. James Lee Witt, the Director of the Federal Emergency Management Agency.

Before recognizing you, Mr. Witt, as Chairman of this subcommittee I want to express to you my sincere appreciation for the way you have kept me and Members of this subcommittee apprised of your efforts involving recent disasters. I acknowledged at a recent hearing we had here, that you were not able to attend, how you had called me from an airplane to let me know that you were on the way to California to attend to that disaster. I know you spent more than a week out there, because you called me several times to keep me apprised so that I could also keep the other Members informed.

I just want you to know, that the type of attention and detail you have given to keeping this subcommittee apprised of your actions is something that is not only noticed, but it is also very much appreciated. We think you have done an outstanding job in terms of your responsibilities in this very, very difficult and extremely important position that you hold, on behalf of this Nation.

Mr. WITT. Thank you, Mr. Chairman.

MEMBERS' REMARKS

Mr. STOKES. I just wanted to let you know.

I will yield if you have any comment, Mr. Lewis, before I recognize the witness.

Mr. LEWIS. Thank you, Mr. Chairman.

Director Witt, has done an awful lot, to lay the foundation for the kind of broadly based support FEMA needs in the House to make some of the changes that you are proposing in your budget.

I want you to know that the people of California are very, very sensitive to and appreciative of the response and the leadership you and FEMA demonstrated in this process.

I have the authorization of my Chairman to make this one commitment to you that may help you perhaps not with the granting of this coming budget, but the following year; that California is not going to have another national disaster this year. And I can say that with the full force and authority of all of the connections my Chairman has.

Mr. STOKES. And on that we can depend, right?

In light of the fact that we have another Californian on this committee as well as a gentleman who represents Mr. Witt's home State, I am going to yield to both of them if they would like to make any opening statement before we recognize the Director.

Mr. Torres.

Mr. TORRES. Thank you, Mr. Chairman.

I want to echo yours and Mr. Lewis' commendations to Mr. Witt. I want to say how proud we are of the important image you have given FEMA. Heretofore, it wasn't looked at in the best of light. But I think given a number of recent situations including the one in Southern California, you have really brought the organization to a greater level of recognition, but especially you and your associates have done a great job and I want to thank you.

Mr. WITT. Thank you.

Mr. STOKES. Mr. Thornton, I am pleased to recognize you.

Mr. THORNTON. Thank you, Mr. Chairman.

I am very proud of the work that our Director James Witt has done during this first year. We gave him a pretty good baptism of fire. This has been an unusual year in terms of the catastrophes that he has had to deal with. But I think he has demonstrated that with integrity and personal involvement in making decisions and with leadership and vision, he can transform—and has transformed—an agency into one that is very quick to react and to assist the public in times of need.

I also think it is commendable that he is willing to take a large chunk of this burden himself. I notice that you are here today with your financial assistant at the table, and I know you have wonderful staff members sitting behind you, but I personally appreciate the fact that you are coming to the committee as an individual to testify and to respond to our questions. I'm very proud of you, and proud to be from the same State.

Mr. WITT. Thank you, Congressman.

INTRODUCTIONS

Mr. STOKES. Thank you, Mr. Thornton.

Director Witt, at this time we will recognize you and ask that you introduce those you have with you. You may then proceed with your opening statement any way you would like. We will put your entire statement into the record.

Mr. WITT. Thank you, Mr. Chairman, Members of the committee. Thank you for your kind comments. I appreciate them very much, and I know the FEMA staff will appreciate it as well because they work very hard.

I would like to introduce Gary Johnson, the Acting Chief Financial Officer, who is with me, and as the Chairman said, we do have several staff members here that head each of the programs as well.

ACTIVITIES OF THE PAST YEAR

In the last year, with your support, FEMA took some critical actions. We refocused our mission and established goals and priorities to achieve this mission. We completed a major reorganization of the agency which streamlined and integrated our resources to make our operations more effective and efficient. In the midst of these activities, the agency responded to the devastating floods in the Midwest, the fires in California, the ice storms across the Nation, and the recent Northridge earthquake.

I believe our response to these events has been both rapid and effective, and I am proud of the staff of FEMA and how hard they worked over the last year. The quality and commitment of this staff have never faltered. They are truly dedicated to serving the American public.

1995 BUDGET REQUEST

My first year as Director of FEMA has been a unique one. I have learned a lot from my experiences and from the people at FEMA. It has also confirmed some things. It has confirmed that the changes we are making at FEMA and the changes that need to be made in emergency management are essential to reducing the impacts of disasters in the future. I feel that our 1995 budget request is a critical step to this future.

This morning I want to concentrate my remarks on what we are seeking to achieve through this budget. It is time to change the pattern of the Federal Government involvement in so many disasters. In each disaster this year, our level of response was closely tied to the capabilities of States and local response.

IMPORTANCE OF TRAINING EXERCISES

We must have stronger, more consistent emergency management programs at the State and local level. To do this, we must provide leadership, training, exercises and evaluation and resources.

Therefore, our budget requests resources to implement a comprehensive training and exercise program. I am determined that this program will be practical and constructive, include a good evaluation process, and be more realistic than it has been in the past. We want to build on the good exercise programs we currently have such as the Radiological Emergency Preparedness program, but make it functional and comprehensive, as well as make it apply to the real hazards that we face today, such as hurricanes and hazardous materials spills. I feel it is critical to put emphasis in this area.

For any of us to respond effectively, each public official must understand and be able to execute their emergency response and preparedness responsibilities. If we are to have an effective emergency management system, it must be built from the bottom up, not from the top down. This budget request takes an important step in that direction.

Millions of people were affected by natural hazards this year, natural hazards which turned their communities into natural disasters. Some of these communities will never recover from these disasters. For others, the recovery and rebuilding will take a long time, and the costs of this process continue to escalate.

I think the Nation has awakened to the need for mitigation. People, elected officials, and businesses are beginning to understand that we must look to mitigation to reduce the impacts of future disasters.

The wisdom of Congress in increasing support for the Section 404 post-disaster mitigation program is helping to move hundreds of structures out of flood prone areas in the Midwest.

Last Saturday, I was in Missouri with Congressman Gephardt. We were in South St. Louis, where we were this past spring in the same community, where water was up to the rooftops. Because of what you did with the 404 mitigation fund, you made it possible for us to go back and work with the community and to do a mitigation project in buying out and relocating that community. It was 419 homes, and those people will not get flooded in that community anymore. So that is the importance. It will save disaster dollars at Federal, State and local levels.

In California, our inspectors are identifying mitigation options up front and incorporating them into the rebuilding process. With the heightened interest in improving the safety of buildings and infrastructure from earthquake damage, we are looking closely with State and local officials as they revise their local codes and their building ordinances.

But this is post-disaster. What are we doing to address the rest of the communities that are at risk from hurricanes, earthquakes and floods before disaster strikes? If we know mitigation works, and there are many examples to prove this in Northridge earthquake, what can we do to support mitigation actions?

Our job at the Federal level is to provide the tools and incentives for State and local governments and individuals to undertake predisaster mitigation actions. This budget request is a critical step in that direction.

To show you the difference mitigation can make, the First Lady and I walked down one particular street in Hollywood. Every house on both sides of that historical street were either destroyed or had severe damage, except one house. We walked up and I talked to the gentleman in that one house. I said, "Why did you not get any damage?" He did not have a single pane of glass broken. And he said, "Well, you know, I watched the FEMA videotape on how to retrofit my house against earthquakes, and I retrofitted my house according to that tape". And I said, "That is great".

And he said, "I am going to give you one suggestion. Would you put that tape in all the video stores in California and let people check it out so they can retrofit their house whenever they build back?" That is what we did. That is mitigation.

In 1995, we are requesting enhancements for both the hurricane and earthquake mitigation programs. These funds will support intensive hurricane evacuation studies for States and regions. We believe that our hurricane initiative will be effective because we have included the States in the development of this initiative. It reflects their needs.

This year, we will be convening our second hurricane summit with the 22 at-risk States to assess progress but, more importantly, to make sure we are prepared for the start of the hurricane season.

In 1995, we are requesting support for development of needed mitigation techniques to address the ever-growing problem of existing hazardous buildings and infrastructure. One such technique is seismic enterprise zones, which are being developed as part of our national mitigation strategy.

Finally, now that we have a receptive public audience, we need to increase our public education efforts in mitigation. We need to build on our successes in fire education. This area has our highest priority. We are not going to see a significant reduction in the cost of natural disasters until we address our existing hazardous structures and aging infrastructure.

DISASTER RESPONSE

This year saw the agency's response efforts tested by catastrophic floods, fires, ice storms and a major earthquake. As part of our reorganization and reflected in our new budget structure, we integrated the capabilities developed under our national security programs into our response operations. These assets proved invaluable to our response efforts, particularly in the Midwest and in California.

While we were able to respond more rapidly and effectively, we identified several limitations inherent in our operations. The two most obvious are a need to modernize our delivery of disaster assistance, and a need to develop greater consistency of field operations.

The budget request before you will allow us to apply advanced technologies to the disaster application and inspection process. It will allow us to enhance and modify our systems, including those we piloted in the California fires and earthquake, and computerize our teleregistration centers.

I brought one of the new tools with me today that we are using in California. We used this palm pad in the fires for the first time and we are using it in the Northridge earthquake. Let me tell you what a difference this has made. This little palm pad is what the inspectors now use when they go out and do an inspection on damaged homes.

To give an example, in the Midwest floods, we did not have this. In 20 days, we had completed 18,000 inspections, which was, as you know, a good deal better than it had been in the past. In 20 days in California, using this, we did 65,000 inspections. That is the difference it makes.

Mr. LEWIS. And this is the major difference?

Mr. WITT. Yes, sir. When they do the inspections, they take this. After they do the inspections all day, they take this, plug it into the telephone, and transmit the data to central processing. In our application centers, they are still doing applications manually, and we want to computerize this application process so that at the end of the day, they can just transmit the data straight to central processing instead of having a person come by, pick up the applications done by hand, and Federal Expressing them. That is the difference this has made. And they are doing at least 10,000 or better inspections a day with this.

To date, we have received over 400,000 disaster applications in the Northridge earthquake, with at least 75 percent coming through our teleregistration centers. We have issued over 109,000 checks already.

One of the very clear things we learned this year is that disaster victims want to be able to call in their applications. They also want to call back to find out the status of their application and how long it will be until they get a check.

We need to bring our systems up to the point where they can meet the public's expectations. As the past two years have shown, disasters are becoming regional events, requiring specialized skills in operations and recovery. We will be addressing this need this year by working on establishing skilled, quick deployment teams to improve our disaster field operations.

NEED FOR STAFF

Also, I will be utilizing the majority of the 40 FTE provided under the 1992 supplemental to enhance our regional skills and staffing. A skilled and effective work force is critical to our success. FEMA is not a large agency, but we have a large mission and a very important role. We need adequate numbers of skilled staff to carry out our responsibilities.

I do not believe we have an adequate number of staff now. That is why I personally request your support for the modest increase we have included in the 1995 request.

SUMMARY

In closing, it has been almost one year since I was confirmed to be the Director of FEMA. In the course of this year, we established a new FEMA. We streamlined the agency through a reorganization, we implemented a more rapid approach to response, we made mitigation a priority, and we have committed to better support our State and local partners. We changed the culture of FEMA, and we have changed how the American people look at FEMA and emergency management. These were our first steps.

The challenge I see before us is to continue to build on what we have begun. We have raised expectations and now we must deliver. I believe we have proven that we can and will deliver when called upon by the President, by Congress and by the American people. But to continue to do this, we need your support.

Our 1995 budget request is absolutely critical to continue the process we have begun. The future of emergency management is in reducing the impact of natural disasters and in building safer communities for our children and grandchildren. Your support for our 1995 budget request will help us take steps towards that future.

Mr. Chairman, Members of the committee, thank you. Gary and I will be happy to answer your questions. If I can't answer it, Mr. Chairman, I have got a full complement of staff here.

Mr. Chairman, let me add, too, that under the reorganization, I have tasked the Senior Executive Service people in our agency to take on many new challenges. And they have accepted those challenges and have performed very well. And I appreciate it very much.

[The information follows:]

James Lee Witt
Director
Federal Emergency Management Agency

James Lee Witt was appointed Director of the Federal Emergency Management Agency (FEMA) by President Clinton and confirmed by the Senate on April 5, 1993. Previously he served the people of Arkansas for over 16 years, as the chief elected official of Yell County and as the Director of Arkansas' Office of Emergency Services.

Witt, 49, is from Dardanelle, Arkansas. His professional career began with the formation of Witt Construction, a commercial and residential building company. After 12 years as a successful businessman and community leader, he was elected County Judge for Yell County. At age 34, he was the youngest elected official in Arkansas. As County Judge, Witt served as the chief elected official for the county with judicial responsibilities for county court and juvenile court.

Among his accomplishments while County Judge, Witt is credited with enhancing the health care facilities of the county, creating business enterprise zones for private investment, and establishing a county-wide volunteer fire department system. He has been recognized by the National Association of Counties for his outstanding efforts on behalf of Yell County.

After being reelected six times, Witt was tapped by then-Governor Clinton to assume leadership of the Arkansas Office of Emergency Services. In this capacity, he revitalized the emergency management structure within Arkansas. Particular achievements as State Director included creating a State-wide program of certification for hazardous materials responders, gaining passage of a State-wide seismic building code and establishing a mitigation funding program. He served as the Governor's representative for over 31 State disasters and for three Presidential disaster declarations.

Witt has been recognized nationally for his work in emergency management, environmental health, earthquake mitigation and veterans affairs. He was charter Board Chairman of Child Development Incorporated, an organization dedicated to advancing Head Start programs for children.

The appointment of Witt by President Clinton signals the Administration's intent to strengthen emergency management at the Federal, State and local levels. Witt brings to the position substantial experience in emergency management, a record of fiscal responsibility and a commitment to assisting people in times of crisis.

Donald L. Collins
Deputy Administrator
Federal Insurance Administration

Mr. Collins has over twenty years of service with the Federal Insurance Administration, first serving as the Director of Policy Analysis and Consumer Affairs from 1973-1981; and then as Assistant Administrator for the Office of Insurance Policy Analysis and Technical Services from 1981-1993. In December 1993, he was appointed to his current position.

Prior to his appointments with the Federal Insurance Administration, he served as General Counsel to the Insurance Advisory Bureau (Mutual Insurance Rating Bureau) in New York, NY; Mutual Insurance Advisory Association, New York, NY; and Transportation Insurance Rating Bureau, Chicago, Illinois. From 1962-1968, Mr. Collins was an Associate Attorney with Cullen and Dykman, Garden City, NY and New York, NY. He was employed by the Firemen's Fund Insurance Group, New York, NY from 1949-1962.

Mr. Collins received his Juris Doctor degree from St. John's University School of Law, New York, NY and his undergraduate degree from Fordham University, New York, NY. He is admitted to practice in the following courts: The Courts of the State of New York; District of Columbia Court of Appeals; U.S. Circuit Court of Appeals, Second Circuit; U.S. District Court of the Eastern District of New York; U.S. District Court for the Southern District of New York; U.S. Court of Military Appeals (D.C.).

In 1991, Mr. Collins was awarded the Presidential Rank Award - Meritorious Executive, Senior Executive Service.

Gary D. Johnson
Acting Chief Financial Officer

Gary D. Johnson is the Acting Chief Financial Officer. He has been performing in this capacity since November 1993 following a two month assignment during which he restructured the Office of Financial Management as part of the agency-wide reorganization of FEMA.

From November 1991 until September 1993, Mr. Johnson was the first and only Assistant Associate Director for the Office of Earthquakes and Natural Hazards. This Office was created in response to heightened congressional interest in the National Earthquake Hazard Reduction Program (NEHRP) and FEMA's lead agency role. This Office administered FEMA's responsibilities under the NEHRP, the National Hurricane Preparedness Program, and the National Dam Safety Program.

From 1983 to 1991, Mr. Johnson was chief of the predecessor organization, the Earthquakes and Natural Hazards Division under the Office of Natural and Technological Hazards. From 1981 to 1983, he served as the Executive Officer for the Office. During this period, Mr. Johnson was recognized for his efforts in managing the Radiological Emergency Preparedness Program by being awarded the Director's Meritorious Service Award.

Prior assignments included serving as a Federal Insurance Administration field representative, assisting State and local governments throughout the mid-west with implementation of the National Flood Insurance Program (NFIP). He later joined the headquarters staff of the FIA where he performed numerous management duties in support of the NFIP. From 1972 to 1975, Mr. Johnson was employed by the Ohio Department of Natural Resources dealing with environmental assessment and flood plain management programs.

A cum laude graduate of Springfield College with a Bachelor of Science degree in Natural Resources, he did graduate work at the Ohio State University, majoring in Natural Resources.

Richard W. Krimm
Associate Director
Response and Recovery Directorate

A native of Williamsport, Pennsylvania, Mr. Krimm graduated from Dartmouth College in Hannover, New Hampshire in 1954 with a Bachelor of Arts degree in English and History. He attended the New York University Graduate School of Business Administration, majoring in business management. From 1956-1957, he served in the United States Army Counterintelligence Corps.

Most of Mr. Krimm's career has been in the field of risk management. He was appointed by Governor William Scranton as a Deputy Insurance Commissioner in the Commonwealth of Pennsylvania Insurance Department prior to coming to Washington, D.C. as the Assistant Administrator for Flood Insurance, United States Department of Housing and Urban Development.

In 1979, Mr. Krimm joined the Federal Emergency Management Agency and is currently the Associate Director for the Response and Recovery Directorate. Since 1979, he has served in several capacities relating to the mitigation of the effects of earthquakes, hurricanes, floods and other natural and technological hazards on the citizens of high-risk areas. He worked in support of the disaster response and recovery operations associated with Hurricanes Hugo, Andrew, and Iniki, the Loma Prieta Earthquake, and the Midwest Floods of 1993. In addition, Mr. Krimm served as the Deputy Associate Director for the State and Local Programs and Support Directorate prior to his appointment in the Response and Recovery.

Dennis H. Kwiatkowski
Deputy Associate Director
Preparedness, Training and Exercises Directorate

Mr. Kwiatkowski is responsible for providing leadership, financial and technical assistance, training, and exercise support required to establish or enhance all hazards emergency management capabilities. Mr. Kwiatkowski is the founding and current Chair of the Emergency Food and Shelter (EFS) National Board Program. As the FEMA representative he chairs a board made up of representatives from Catholic Charities, USA; the American Red Cross; United Way of America; the Salvation Army; the National Council of Churches; and the Council of Jewish Federations.

Prior to this assignment Mr. Kwiatkowski was the Assistant Associate Director for the Office of Disaster Assistance Programs and had extensive experience in disaster programs and operation. He was responsible for the administration of the President's Disaster Relief Program and management of the Disaster Relief Fund.

Previously, he was the Assistant Associate Director for FEMA's Office of Technological Hazards Programs. In that capacity, he was responsible for radiological emergency preparedness for commercial nuclear facilities, the Agency's Hazardous Materials Programs, and the Chemical Stockpile Disposal Program. He also chaired the Federal Radiological Preparedness Coordinating Committee and co-chaired the Chemical Stockpile Emergency Preparedness Steering Committee with the Principal Deputy Secretary for Installations and Logistics at the Department of the Army.

Prior to 1991, Mr. Kwiatkowski, Assistant Associate Director for Natural and Technological Hazards, was responsible for FEMA's role as the lead agency for the National Earthquake Hazards Reduction Program and other natural hazards preparedness and mitigation programs, such as hurricanes and dam safety. In that capacity, he also chaired the Interagency Coordinating Committee for the National Earthquake Hazards Reduction Program.

Mr. Kwiatkowski's previous assignments in FEMA Headquarters included Chief of the Individual Assistance Division, Disaster Assistance Programs; and FEMA's first director of Regional Operations, responsible for oversight and coordination of policies affecting FEMA's field staff and programs. Before coming to FEMA Headquarters when the Agency was formed, he was the Individual Assistance Officer for the Federal Disaster Assistance Administration Region V in Chicago.

He has been a member of FEMA's Executive Resources Board for four years and Chairman of the ERB for the past three years.

Mr. Kwiatkowski was born July 30, 1945, in Chicago, Illinois. He graduated from DePaul University in 1967 with a Bachelor of Science degree in Commerce, majoring in Marketing and Management.

He is married to the former Marlene Santowski and they have four children.

William C. Tidball
Chief of Staff

Mr. William C. Tidball is the Chief of Staff of the Federal Emergency Management Agency. Prior to being the Chief of Staff, he was appointed the Acting Director of FEMA by President Clinton on January 20, 1993, and served in that capacity until April 6, 1993.

Mr. Tidball has served as the Director of the Office of Human Resources Management. In that capacity, he directed the office's programs, including policy and information, performance management and labor relations, classification, equal opportunity, employee development, staffing programs, and field personnel operations.

Prior to that assignment, Mr. Tidball served as the Assistant Inspector General for Inspections in the Office of the Inspector General. Previous to that he served as the Director's Senior Policy Advisor for two years and as the FEMA Chief of Staff for five years.

Mr. Tidball, a Federal executive for 27 years, has served as the FEMA Region VI Deputy Regional Director and in several other capacities with FEMA predecessor agencies in the Dallas/Fort Worth area. Mr. Tidball has served as Acting Regional Director in New York, Chicago and Philadelphia in FEMA and predecessor agencies.

Mr. Tidball was the recipient of the 1990 Presidential Rank Award - Distinguished Executive. As reflected in that award, he has for many years served as a key agency "trouble shooter" in resolving top level, critical policy and emergency matters.

Mr. Tidball was born on October 11, 1942, in DeQueen, Arkansas, and served in the United States Army. He received his Bachelor of Arts degree in Psychology from Henderson State University. Mr. Tidball is married, has two daughters, and resides in Falls Church, Virginia.

Robert H. Volland
Director, Program Development and Coordination Division
Mitigation Programs Directorate

Robert H. Volland is Director, Program Development and Coordination Division, Mitigation Programs Directorate. The responsibilities of this division include: Development of a national mitigation strategy; management of FEMA's lead agency functions under the National Earthquake Hazards Reduction Program and the unified National Program for Floodplain Management; and the exploration of alternatives to foster a multi-hazard approach to mitigation activities. He is concurrently serving as Acting Deputy Associate Director for Mitigation.

Prior to his current position, Mr. Volland's FEMA experiences included: Chief, Individual Assistance Division, Office of Disaster Assistance Programs from 1989-1991; Assistant Chief of Staff for Administration, 1987-1989; Director of Personnel, 1983-1987; Special Assistant, State and Local Programs and Support Directorate, 1982-1983; and Director/Deputy Director, Finance and Administration, 1979-1982.

He was a member of the President's Reorganization Project from 1977-1979, and Financial Manager/Executive Assistant, Federal Disaster Assistance Administration, Department of Housing and Urban Development from 1973-1977. He had been a management intern; budget analyst; Chief, budget analyst; Chief, Budget and Fiscal Division, Office of Emergency Preparedness from 1967-1973.

Mr. Volland holds a B.A. in Government-International Affairs from the George Washington University, 1973.

Edward M. Wall
Deputy Administrator
United States Fire Administration

Edward M. Wall is currently serving as the Deputy Administrator of the U.S. Fire Administration (USFA). This is a career position in the Senior Executive Service of the United States. Mr. Wall is the principal policy advisor to the Fire Administrator, a presidential appointee. Mr. Wall served as Acting Administrator from August 1983 until June 1984 when this appointment was vacant.

In June 1992, Mr. Wall was a recipient of the Distinguished Service Award, the highest honor granted to an employee by the Director of FEMA. The award was presented to him in recognition of his dedicated and effective public service in promoting fire safety throughout the nation.

Mr. Wall served as Deputy Superintendent of the National Fire Academy from January 1980 until September 1982. At that time he was assigned to chair the USFA Working Group. In that capacity Mr. Wall was responsible for the reorganization of the USFA and for planning and executing USFA's relocation from Washington, DC to Emmitsburg, MD.

In September 1984, Mr. Wall was awarded the Meritorious Service Award for this accomplishment. This is the second highest award presented to career employees by the Director of FEMA.

Previously, Mr. Wall served 26 years with the Newark, New Jersey Fire Department, retiring in 1980 as Deputy Chief. His last assignment was Chief-in-Charge of the Division of Training.

Mr. Wall has a Baccalaureate Degree in Fire Administration and a Masters Degree in Public Administration from Rutgers University. He has served as an instructor for Essex County College, a lecturer at Rutgers University, and is co-author of college-level home study courses in fire science.

While in New Jersey, Mr. Wall was very active in the training of volunteer firefighters and officers. He was a Director of the New Jersey State Fire College and served for several years as the chairman of the school's curriculum committee.

Mr. Wall, at the request of the Australian government, lectured at the Australian Counter Disaster College on the subject of high rise fire problems.

In 1990, Mr. Wall was selected by the United States Department of Labor to represent the United States at the Joint Meeting on Conditions of Employment and Work of Fire Fighting Personnel sponsored by the United Nation's International Labor Organization in Geneva, Switzerland.

His professional affiliations include members in the International Association of Fire Chiefs, Underwriters Laboratories Technical Appeals Board, and the New Jersey Fire Safety Advisory Council.

William R. Partridge
Deputy Inspector General

Mr. Partridge has been in this position since 1990. He was employed by the Department of Energy and its predecessor agencies for 18 years, most recently as Assistant Inspector General for Inspections. From 1987 to 1990 he was on official assignment to the Surveys and Investigations Staff of the House Appropriations Committee.

During a 20-year excursion from Federal service, Partridge was employed by a major firm in the aerospace industry, by a smaller firm specializing in services for State and local governments, and by a university. He has been a project engineer, operations research scientist, manager of a western regional office, and manager of management systems in the corporate offices of the aerospace firm.

Initially schooled in engineering, Partridge obtained degrees in liberal arts, business administration, and public administration from Pomona College, UCLA, and Syracuse University.

STATEMENT OF

THE HONORABLE JAMES LEE WITT

DIRECTOR

FEDERAL EMERGENCY MANAGEMENT AGENCY

BEFORE

THE SUBCOMMITTEE ON VA-HUD-INDEPENDENT AGENCIES

COMMITTEE ON APPROPRIATIONS

U.S. HOUSE OF REPRESENTATIVES

MARCH 3, 1994

Mr. Chairman and Members of the Subcommittee:

I respectfully appear before you today to outline the 1995 budget request for the Federal Emergency Management Agency, as well as highlight the significant changes that have occurred at FEMA this past year. With your support, we have undertaken a significant program of renewal and redefinition at FEMA to improve our performance in responding to disasters, achieve an all-hazard capability, and integrate redundant functions of the Agency. A major change in budget structure is proposed as a result of refocusing our priorities, and better reflects the interrelationships among our programs and increases management flexibility in applying scarce resources. Last November we began a major organizational realignment that is mirrored by our budget structure and which eliminates two layers of management, decreases the number of organizational elements, and standardizes our Regional Offices. Our efforts to refine this new organization will continue in the months to come.

These efforts at FEMA have been made in order to fulfill our mission to provide the citizens of this country the tools they need to mitigate against, prepare for, respond to and recover from an emergency. The destruction following the Northridge earthquake which most citizens saw on television--and which many of us at FEMA have witnessed in person--reinforces the renewed commitment this Administration has embraced to fulfill that mission. The 1995 budget request reflects the redefinition of the emergency management mission as it pertains to the higher probability risks we face in today's world. In addition, other expected benefits from the renewal of FEMA include improved employee morale, increased participation of women and minorities in management, and a closer working relationship between management and employees through the creation of the FEMA Labor-Management Partnership Council.

OVERVIEW OF THE 1995 BUDGET REQUEST

FEMA's request for budget authority totals $706,780,000. The outlay request is $1,833,989,000 and our full time equivalent needs are estimated at 2,717. The 1995 request for FEMA operating accounts is $388,776,000, an increase of 4.1 percent over the 1994 enacted level. This amount includes increases in staff and funding in the earthquake and hurricane programs to expand FEMA's mitigation strategies, regional services, and public education initiatives. Increases are also requested for 1995 to enable FEMA to implement recommendations of the Federal Response Planning task force, to implement a comprehensive exercise program, and to provide HAZMAT exercise and training support to the State and local emergency management communities. Offsetting these enhancements is a reduction in the defense related national network area under the Operations Support activity.

A five percent increase in the Salaries and Expenses appropriation provides for a greater commitment of agency resources to improve disaster response and emergency management capabilities through expanded training and exercises, and will support workyears associated with hurricane and earthquake mitigation strategies.

Inherent to the reconfiguration of the emergency management mission is acknowledgement of the changing risks our citizens face today as opposed to ten years ago. An additional $13 million is proposed for redesignation from defense related to domestic. In accord with the new world order, the entire curriculum offered through the Emergency Management Institute directly supports the agency's multi-hazard approach, as opposed to former courses of study that were offered with a national security or civil defense emphasis. Likewise, the corresponding portion of site expenses are being proposed for reclassification to domestic funding.

An appropriation of $320,000,000 is being requested for the Disaster Relief Fund. The Department of Housing and Urban Development will administer the Emergency Food and Shelter program in 1995 as part of the Administration's plan to consolidate homeless assistance programs in this Department.

RESPONSE AND RECOVERY

The Response and Recovery activity consolidates Agency resources devoted to building a Federal capability to assist State and local governments in the response to large-scale or catastrophic disasters and in recovery efforts from such events. Federal response planning, national security planning and maintenance and deployment of the Mobile Emergency Response Support (MERS) detachments and the Mobile Air Transportable Telecommunications System (MATTS) are carried out under this activity, as well as administration of the Disaster Relief Fund.

The 1995 request of 690 workyears and $56,711,000 for Response and Recovery includes additional funds for more effective interagency Federal response planning, the development of regional response operations plans, and participation in response planning with the individual States.

PREPAREDNESS, TRAINING AND EXERCISES

FEMA's extensive responsibilities in the preparedness arena are centralized under this activity which consolidates State and local financial and technical assistance, planning and guidance, training, and exercises under one organizational and budget activity. This restructuring will further our efforts to build and maintain the Nation's all-hazards emergency management infrastructure, develop an effective State and local capability to prepare for and respond to all emergencies, and provide greater flexibility to the States in meeting their emergency management requirements. The request for this activity in 1995 totals $171,288,000 and 651 workyears. Increases will emphasize an aggressive program of exercises, tabletops, and workshops for joint Federal-State emergency operations.

FIRE PREVENTION AND TRAINING

The Fire Prevention and Training activity includes all of the programs formerly included in the Fire Prevention and Hazard Mitigation activity, with the exception of the training and exercise resources associated with the hazardous materials program and training grants under Title III of the Superfund Amendments and Reauthorization Act. Additionally, all Agency resources to support the administration of the National Emergency Training Center are consolidated for the first time under this new activity. The 1995 request for this activity is 125 workyears and $31,490,000 and includes no changes from the 1994 level.

OPERATIONS SUPPORT

The Operations Support activity provides for many of the Agency-wide support elements, such as procurement, security, and administrative services, and incorporates the operation and maintenance of emergency networks, situation assessment, information systems, and engineering services. A total of 397 workyears and $64,718,000 is requested for 1995 for Operations Support, a decrease of $4,953,000 from 1994 in national networks initiatives.

MITIGATION PROGRAMS

Because the furtherance of mitigation strategies is a high priority objective of this Agency, the Mitigation Programs activity has been formed to integrate and emphasize our earthquake, flood, and other natural hazards mitigation efforts. Effective mitigation programs not only save lives and help people from becoming disaster victims, they reduce the costs that are incurred by all levels of government--costs that are ultimately borne by the taxpayer--when disasters occur. A portion of the funding for this activity will be derived from reimbursement from the National Flood Insurance Fund. The 1995 request of 258 workyears and $36,699,000, which is net of $58,453,000 in reimbursements for floodplain management efforts, reflects increases to support hurricane and earthquake preparedness programs through training, public education, regional services and implementation of a "seismic safety zone" strategy, and an increase of 5 workyears to support flood related activities through the community rating system.

FLOOD INSURANCE OPERATIONS

The Flood Insurance Operations activity, formerly identified as Insurance Activities under Flood Mitigation and Insurance, provides oversight and administration of the insurance component of the National Flood Insurance Program. Funding totalling $3,998,000 will be reimbursed from the National Flood Insurance Fund.

REGIONAL PROGRAM DIRECTION

The 1995 request for the Regional Program Direction activity is $10,260,000 and 115 workyears, and will support the direction and program management of the regional offices and provide staff to advise the Director and Regional Directors on regional activities.

EXECUTIVE DIRECTION

A new Executive Direction activity has been formed which encompasses offices previously part of Management and Administration, such as the Office of the Director; Human Resources Management; Emergency Information and Public Affairs; Congressional and Governmental Affairs; Financial Management; and General Counsel; and includes new offices of Policy and Assessment, which facilitates Agency policy development and strategic planning; and Equal Rights, which focuses increased attention on the diversity of FEMA's customers and the agency's employees. The 1995 request for Executive Direction is 241 workyears and $17,610,000.

INSPECTOR GENERAL

The Office of the Inspector General provides advice, assistance and oversight on matters relating to economy and efficiency and the prevention and detection of fraud, abuse and mismanagement in Agency programs and operations. A total of 70 workyears and $4,500,000 is requested for 1995 under this appropriation.

NATIONAL INSURANCE DEVELOPMENT FUND

This fund is the vehicle for funding the Federal Crime Insurance Program, which is currently authorized through September 30, 1995. Six workyears and $2,516,000 in borrowing authority are requested to support this program in 1995.

NATIONAL FLOOD INSURANCE FUND

The National Flood Insurance program enables property owners to purchase flood insurance otherwise unavailable in the commercial market. In return for the availability of insurance, communities agree to adopt and enforce flood plain management measures to reduce loss of life and property from future flooding. The program continues to be self-supporting for the average loss year.

DISASTER RELIEF FUND

This fund provides the basis for the President to authorize Federal assistance, in accordance with the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, to individuals and to jurisdictions where a major disaster or emergency has been declared. An appropriation of $320,000,000 is requested for 1995. This requested amount is in accordance with the Dire Emergency Supplemental Appropriations Act, 1992, (P.L. 102-229) which stated that any amounts requested for disaster payments in excess of the lower of $320,000,000 or the President's budget request would be considered as emergency requirements.

EMERGENCY FOOD AND SHELTER

Beginning in 1995, the Department of Housing and Urban Development will administer this program, which channels emergency support to the homeless, as part of the Administration's consolidation of homeless-related programs.

USER FEES

In 1995, FEMA proposes to collect 100 percent of the appropriated funds obligated to provide services associated with the Radiological Emergency Preparedness Program. In addition, the costs of the flood mitigation and insurance programs will be funded by a processing fee assessed on flood insurance policyholders as authorized by Public Law 101-508. Revenues from the Radiological Emergency Preparedness program fees will be deposited directly in the Treasury; revenues from the Flood programs will be deposited in the National Flood Insurance Fund.

SUMMARY

Mr. Chairman and members of the Subcommittee, I will be pleased to answer any questions you have regarding FEMA and our budget request for 1995.

COST OF NORTHRIDGE EARTHQUAKE

Mr. STOKES. Thank you very much, Director Witt.

This is an important agency. You have given us a very important statement, and we have a lot of questions for you. Of course at the end of each section I will recognize other Members if they have any additional questions pertinent to that section.

You described for us the situation in Southern California as a result of the Northridge earthquake. Do you expect the cost of the disaster to increase above the amount originally estimated?

Mr. WITT. The supplemental provided $4.7 billion. This year, Mr. Chairman, we will probably spend about $3 billion in California on the Northridge earthquake. In 1995, we will probably spend about $1.5 billion in the supplemental.

We do not expect the cost of this disaster to increase unless there are some damages that we have not seen already.

COST OF MITIGATION

Mr. STOKES. Factor in for me, Director, the 75/25 cost waiver estimate.

Mr. WITT. In mitigation?

Mr. STOKES. Yes. Just give us some idea what the costs will be to the Federal Government.

Mr. WITT. In the Midwest floods, for an example, as a result of the changes in section 404 funding, we are going to spend about 300 million dollars there.

For California, I do not have an exact total dollar figure on the cost of mitigation under section 404 because we are in the process of doing the inspections and seeing what the engineers come back with as total figures for particular projects.

At the same time, we are doing something different from what we have ever done before in California. We are doing the mitigation cost at the same time that we are doing the public assistance damage survey report to make sure that they can utilize the mitigation funds up front as they rebuild.

So I do not have a total dollar figure yet because that also varies based on amount of debris cost we have. I can't give you a total figure yet, but I will work on trying to get it for you.

IMPLEMENTING PROHIBITION ON DISASTER BENEFITS TO INDIVIDUALS NOT LAWFULLY IN THE U.S.

Mr. STOKES. That would be fine. Recently there was a rather controversial issue undertaken by the Appropriations Committee. That was the issue of disaster assistance benefits for individuals not lawfully in the United States. We addressed this issue of course in the recent emergency supplemental appropriations bill.

Tell us, Director, what has FEMA done, if anything, to implement this legislation?

Mr. WITT. We are working on the amendment language now with our general counsel's office and hopefully, we will have the policy to implement that provision very quickly. We have coordinated the language with other agencies to make sure that we are consistent with what they are doing and to make sure that we follow the language that is in the amendment.

Under the amendment, we have 90 days before these people who received emergency disaster relief come back in and ask for additional disaster assistance. So we want to make sure that we interpret the language as Congress has asked us to.

Mr. STOKES. Do you anticipate that this is going to be relatively difficult to administer?

Mr. WITT. Yes, sir, it is going to be very difficult, but we feel that we can do it.

Mr. STOKES. How about costs associated with the administration of it?

Mr. WITT. There will be some extra administration to make sure that this is done, to make sure that we follow up with the guidance that is in the amendment.

USE OF RESPONSE PLAN IN NORTHRIDGE EARTHQUAKE

Mr. STOKES. FEMA has been working to fully implement the Federal response plan which was completed about a year ago. To what extent was the response plan utilized in responding to the Northridge earthquake?

Mr. WITT. The Federal response plan worked very, very well in the Northridge earthquake. It also worked very well in the Midwest floods. The State of Iowa and the other States utilized the Federal response plan in concert with FEMA.

It was very interesting. When we initiated the Federal response plan, all the other Federal agencies came to FEMA headquarters to support their functions and did an extremely good job in their support roles. In California, the support functions of the Federal agencies were there in the disaster field office and the implementation of the Federal response plan made the response quicker and more effective.

APPLICATION OF LESSONS FROM OTHER DISASTERS TO EARTHQUAKES

Mr. STOKES. What about lessons learned, were evaluations from other disasters useful in responding to this earthquake?

Mr. WITT. Yes, sir. Mr. Chairman, we learned a lot from the past disasters. One of the things that I did very early on was to ask all of the regional offices to identify individuals who would go to the State emergency operation centers to work with the States on technical assistance or whatever they needed, if it was probable that we were going to have a disaster, or just after a disaster hit. These people who were identified by name went to the EOCs in the Midwest flood and in the Northridge earthquake to work with the State and local people.

Another lesson that we learned was that prepositioning of resources in a disaster is very critical so that we have those resources there that we may need a few days down the road. So we did preposition some trailers, we prepositioned water, and we prepositioned tents.

When I got to California, we did a very quick assessment of what we might need. We had seven million gallons of water brought in—one million gallons a day for seven straight days—because we had 26,000 people out of their homes. We had up to 500,000 people that may have been out of water for a week. We knew that we were going to need water. So we prepositioned it.

We learned a lot from the past disasters. And as we critique the Northridge earthquake, then we will learn more there. We learned a lot in the application centers, about the applications process as I mentioned earlier. Lessons learned were very, very valuable.

POTENTIAL MIDWEST FLOODING THIS YEAR

Mr. STOKES. From what we know now, are you anticipating additional flooding this year in the Midwest?

Mr. WITT. According to the National Weather Service—and we have been working closely with them—the same type of storm systems that we had last year is possible for the Midwest this year.

Also, I have a great concern about the flooding that may happen in the Eastern States as well, simply because they have had so much snow. Also, if a rainy season hits with the snow melt, then the possibilities are there.

We are having a meeting tomorrow at FEMA headquarters with all of the Federal agencies under the Federal response plan and with the long-range task force members from the White House, to look at what we need to do to be prepared for the possibilities of spring flooding—replenishing of sandbags, food, and other resources that might be needed that we can put in place and should have in place.

So the possibilities are there, yes, sir. We are also going to have a conference call tomorrow with all of the States in the Midwest and also the States on the Eastern coast where there is the possibility of spring floods, to make sure that we are all coordinating this effort together.

Mr. STOKES. In the event of this type of recurrence, do you have sufficient disaster relief funds on hand or are you going to need a supplemental?

Mr. WITT. For responding to current disasters, I think we have enough funds now. We are asking for $320 million in the 1995 budget to cover 1995 disasters. But if we have a spring flooding again in the Midwest and possibly on the Eastern coast as the National Weather Service tells us, it would be a difficult question. I doubt if we would.

INTERGOVERNMENTAL COORDINATION DURING DISASTERS

Mr. STOKES. One of the concerns of the committee in the past was the response to the Hurricane Andrew disaster, and the coordination difficulties between Federal, State, and local officials. In terms of the Midwest floods and the Northridge earthquake, did FEMA experience any coordination difficulties?

Mr. WITT. No, and I think the reason why we didn't was because of early planning. When I was nominated and confirmed as Director of FEMA, White House staff came over, and sat down with us at FEMA to help develop the process of how we would respond together, how the information flow would go from FEMA to the White House, and how FEMA would coordinate that information flow for the Federal response roles of these agencies.

I personally met with most of the Secretaries of the other Federal agencies. They have been very, very supportive and their staff have been very supportive in their roles under the Federal response plan.

Secretary Peña, Secretary Espy, Secretary Cisneros, Secretary Riley, Secretary Shalala have all worked very hard with us to make sure our roles are coordinated and to make sure that our efforts are effective and we are not duplicating services.

AGENCY REORGANIZATION

Mr. STOKES. I wanted to discuss the reorganization of the agency that was implemented last fall. I understand that the FEMA renewal report was released concurrently with the National Performance Review recommendations made by the Administration for reinventing government. This report states the first step in the renewal process was to establish a new mission for FEMA. Of course you made some reference to it in your opening statement this morning. Tell us about this vision of the new FEMA.

Mr. WITT. Well, our new slogan is people helping people, Mr. Chairman. But the new mission of FEMA is to be prepared to help respond, to take care of the health and safety of the American people. I think it is a very important mission. Our role is very important.

As FEMA was part of the NPR program, I sat and visited with the Vice President for over an hour, just the two of us, to talk about FEMA's reorganization and how it would coincide with the NPR and reinventing government initiated by the Vice President. FEMA requested and the entire Agency has been designated as an experimental lab for reinventing government. That has been done and that is what we are working with the Vice President on.

Mr. STOKES. According to this report, a new organizational structure was necessary to execute FEMA's goals more effectively. How does the new structure accomplish this?

Mr. WITT. The new reorganization is aligned as a functional organization. As a result, programs are supporting each other and working together more than they ever did in the past.

Under the functional alignment, programs have to work with each other. And it is more of a coordinated effort now by doing this. And I think it has gone very well.

We have cut out a lot of management and functions; instead of a 6-to-1 ratio of supervisors to subordinates, we have a 13-to-1 ratio, which makes a big difference. So it is going very, very well. But as we go through this reorganization, there will be things we may have to change, that may not fit. And we will change it as we go through it.

Mr. STOKES. What is your current status now? When do you think it will be fully implemented?

Mr. WITT. Our reorganization has been fully implemented. The only thing we lack now is following-up with moving from one office to another office to co-locate the new organizations. That is very frustrating.

TYING AGENCY GOALS TO THE NPR

Mr. STOKES. I'll bet. How do these goals tie into the Vice President's National Performance Review?

Mr. WITT. I think that with our goals at FEMA now, we are more conscious of customer-oriented service than ever before, with the States and local communities being our customers. We are working very, very hard in changing that concept.

We have been following-up in the Northridge earthquake with customer surveys. That has never been done before. I think that basically is a concept that the Vice President has initiated and that is what we are doing as well.

Mr. STOKES. Okay. Mr. Lewis, I yield to you.

LESSONS LEARNED FROM NORTHRIDGE EARTHQUAKE

Mr. LEWIS. Thank you, Mr. Chairman.

One more time, welcome. I will at least initially dwell a bit on the experiences that we have had in California with the recent Northridge earthquake.

I must say that I was fascinated by your comments regarding the videotape, for I remember very clearly the television picture of that street that you described and the single house that remained. It had been in a previous disaster the same year, within a 12-month time frame during the fires. There was a similar street where endless numbers of houses had burned to the ground, and yet there were two houses I remember very clearly that had taken preventive measures. And that sort of effort and thrust from your agency is not only an interesting one, but one I think can be very, very productive.

In the past, FEMA has produced a lessons-learned report following the disasters. I would guess that you are in the midst of such a report relative to this most recent experience at the Northridge earthquake.

Can you give us an indication of the primary lessons that you think you may have learned that might be a part of that report?

You touched on some of those, but I am interested specifically in the things that you think surprised you that didn't work, but I am very interested in the things that surprised you also that did produce unusual results.

Mr. WITT. We are working on documenting lessons learned day by day. I asked a team of people to come in, our employees, instead of doing it by contract, to make sure that this disaster is documented and to make sure that the issues that come up and our response are documented, so that we can go back and make sure it is incorporated into a very good report to Congress.

One of the things that we did differently in California was to have a tremendous outreach program that was very quick, particularly to local mayors and county supervisors. Between FEMA and the State, we developed this outreach program where we physically go out, sit down with the local elected official and work with them on issues or concerns that they have and determine how we were going to respond to those. And that, I think, was one of the most overall successful portions of this response, because it was very difficult for a lot of those local elected officials to travel out there, and get into an area; so we went to them and did it very quickly.

The crisis counseling, which was very critical, went very, very well in the outreach program because of all the language differences that we had there in those communities. And we had a tremendous amount of support using bilingual interpreters for Korean, Russian, Vietnamese, Spanish, all of them. I think California probably has more people speaking different languages than any other State I have ever seen, but we responded well.

Something we also did differently in California, was to print the Recovery Times newspaper in several different languages. We then met with the community organizations and had these community organizations help us distribute this newsletter with all the information.

I went to South Central Los Angeles one night and met with the community leaders there. They took the Recovery Times newsletter into their churches and gave it out to their constituents.

A lot of the initiatives that we did in California were very different. One of them was mitigation, Congressman, that we handled totally differently. Also, the disaster application process was speeded up very much. I am very proud of the changes.

AVOIDING DUPLICATION WITH OTHER AGENCIES

Mr. LEWIS. Okay. I want to look forward to further communications regarding lessons learned.

You did touch upon the coordination with the various Federal agencies that are involved and indicated a very high level of early coordination helped with duplication. But we have three major Federal agencies who really do relate to such a circumstance. FEMA, of course, but also HUD that has responsibility to this subcommittee, along with another agency we deal with, SBA.

Some questions have been raised in a disaster of this size and complexity, that maybe we have too many agencies involved, that perhaps a lead agency, FEMA, ought to have more authority, that we could eliminate by changing some of those lines of authority clearly duplication that exists between FEMA, HUD and SBA.

What would your comments be in that connection?

Mr. WITT. I do not disagree with you in one sense. In April, we are setting up a two-day retreat type meeting of FEMA, SBA, HUD and all the agencies that responded to the Northridge disaster, to relook at our roles and our responsibilities and what we can do differently and better.

I think you are right; I think we need to look at that. I think it is very critical.

LEGISLATION CHANGES FOR DISASTERS

Mr. LEWIS. Okay. As you know, the House leadership has established a task force to deal with emergencies. They will be meeting. Someone suggests that this work is long overdue. In the meantime, they will be looking for input and I assume that you are preparing recommendations relative to that task force.

I would think items that may involve a legislative direction where we may need to make changes in the law would be a part of those recommendations. Are you working on that?

Mr. WITT. Yes, sir. And I will be meeting with Congressman Durbin and Congressman Emerson tomorrow morning for a few minutes to decide what the task force would like for me and FEMA to put together for dealing with disasters in the future.

COOPERATION FROM CALIFORNIA

Mr. LEWIS. Part of my next question involves California's response. And I would mention that there are two of my California colleagues who are on that task force. I believe they are Buck McKeon and Ken Calvert.

Any direct communication you might have with them regarding California recommendations that relate to the way we work together or didn't work together would be helpful.

I was very, very impressed, as I suggested, with the rapidity as well as the sensitivity of the response of FEMA and other Federal agencies. In turn, my impressions are extremely positive regarding other State and local agencies involved.

Would you comment on the mayor's office, Mayor Riordan, I know he was very much personally involved. It seems to me the Governor's people were all over our backs. These are nonpartisan questions, of course. Would you care to comment about that coordination and cooperation?

Mr. WITT. Sure, I would love to.

I met with Mayor Riodan several times and worked very closely with him and the State as well. But what was interesting was the amount of support and response provided by the local elected officials and also the local emergency managers.

One good example was the community of Fillmore where I went. As you know, they lost their whole downtown; every commercial building in downtown was destroyed, and a chain-link fence closed the street off. Fillmore is away from L.A., about an hour and a half, I guess, in driving time. But, they had exercised their earthquake plan just a few weeks before this earthquake hit.

To show you that a good exercise program and a good emergency operations plan work very well—at 4:31 a.m. the earthquake hit; they had their disaster center set up and open at 6 o'clock and were ready to take names.

Bipartisan support from all the elected officials out in California from the local level all the way up to the congressional level was absolutely incredible. The response that they gave to this disaster was absolutely critical, and they worked very closely with us and our people in outreach. The operation would not have gone so well without the State and local emergency management functions. Nor would search and rescue have gone as well.

STATE EMERGENCY MANAGEMENT AGENCY IN CALIFORNIA

Mr. LEWIS. During the years I was in the State legislature, we took steps in a major way to revise the State Emergency Management Agency. Sometimes I wonder about duplication one more time.

Could you comment about that, the State Emergency Management Agency and your cooperation and coordination with them was effective? Do you have recommendations in that connection?

Mr. WITT. It was very effective. California is unique in the sense that they have a very good system in place. They have spent a lot of money to make sure a good system is in place.

We did not have basically any duplication because I worked very closely with Dick Andrews, the State Director of OES. What was really critical was the day that we opened 11 disaster application centers. Dick Andrews and I went to the Northridge application center ourselves the first day it opened. We saw a serious problem in long lines. We saw a serious problem in the application process inside. We went back to the disaster field office and sat down and started addressing that problem very quickly. So we worked very closely. Because they have a very good system in place, it made a big difference.

POTENTIAL FOR FRAUD IN DISASTER APPLICATIONS

Mr. LEWIS. Immediate response, very positive. You always have people who say with 20/20 hindsight, but if we had only done such and such.

In connection with some of that, one of the lines of discussion that casts a bit of a shadow that I think all of us want to evaluate involves those who suggest that it is appropriate that you have an investigation relative to those people who may have attempted to or may have really abused the payment process.

Can you tell us what you know as of this moment relative to possible fraud in terms of people's application for funds, people who had used this disaster for their own purposes and what the status of that is?

Mr. WITT. Early in the recovery process, I asked the Inspector General's office from our headquarters to come to California to enter the process and help support us in the recovery. So we would make sure that the victims of this disaster were the ones that really received the funds. We announced in a press conference that we would be following up with the IG's office and the State Attorney General's office and that anyone we found who was applying for funds under false statements or false applications would be prosecuted. The IG's office is still there working to make sure that we follow through.

Mr. LEWIS. Well, do you believe as a result of that, there was a significant amount of fraud or abuse during that process, especially the height of it.

Mr. WITT. I think after we made that statement to the news media and after the news media started printing it, we had a lot of applications withdrawn. So I think it worked in that sense.

Mr. LEWIS. Okay. A little preventive publicity.

Mr. WITT. Yes, sir, I think it worked very well. And I am sure as they investigate, we will come to find some cases where there was abuse.

Mr. LEWIS. There are some cases indeed outstanding where there are charges being made?

Mr. WITT. Sure. But we are trying to take all the preventive measures we can.

MOVING PEOPLE FROM FLORIDA TO CALIFORNIA TO WORK

Mr. LEWIS. One other area of question involved I guess some disagreement relative to procedure between either local or State or the Federal, your officials. At the height of your effort, I understand that there was some question relative to bringing people with expertise from Florida to California and whether we should go through the business of time and cost, in other words, to transfer people from Florida out to California. And I understand that indeed an airplane was leased to bring people out to California. Could you tell me what that controversy was about?

Mr. WITT. At the time that we were trying to get more application centers open very quickly, we needed experienced people that had been in these centers, had worked in these centers and taken applications. Also, we needed people that could speak and take the application in other languages.

Mr. LEWIS. You needed people—we didn't have people in California?

Mr. WITT. Oh, yes there were, and we hired a lot of local hires to help in this process. But we needed very quickly some people who had been through this to help run the process. They had a team of people in Florida that had been through Andrew and had the experience. That was the team that we brought out to help the Federal side.

Mr. LEWIS. You have heard of that discussion by way of critique.

Mr. WITT. Yes, yes.

Mr. LEWIS. Do those who are criticizing have some validity in their questions?

Mr. WITT. I personally don't think so, because we absolutely needed these critical staff positions at that time. But you know we hired over 800 local hires after that to help in the process.

Mr. LEWIS. Okay. Mr. Director, I have some additional questions relative to future possible legislative development here. I will delay those until a further round.

In the meantime, as the Chairman passes the baton down the table, I want to mention that in our full appropriations committee when we were discussing this supplemental issue, there was some rather phenomenal leadership developed, between Julian Dixon, my colleague from Los Angeles, and my colleague here, Esteban Torres. They did a fantastic job.

Indeed, we had a couple of major stumbling problems that could have made a disaster of the process of delivering relief, and Esteban deserves a lot of credit for the leadership he demonstrated.

Thank you, Mr. Chairman.

Mr. STOKES. Mr. Torres.

DISASTER ASSISTANCE FOR ILLEGAL IMMIGRANTS

Mr. TORRES. Thank you, Mr. Chairman.

I want to thank Mr. Lewis for those kind comments that he made. He is being very modest because he also played a very important role in a truly bipartisan effort to attempt to ameliorate this very heady situation that concerned a lot of us relative to immigration questions on the supplemental appropriation.

It is important, Mr. Witt, just to tell you briefly that I was born in 1930 when this country was beginning to go through one of the largest disasters of magnitude of that time, the Depression. We didn't have a FEMA then, but we had other sorts of relief agencies that attempted to help Americans cope with the situation.

My father was, like many people today, an undocumented worker from Mexico who had come here to work in the Arizona mines. Like many people, he was induced to provide that kind of labor. But when economic times are bad and you have layoffs and you have the mines shut down, well, my father was one of those unfortunates that was rounded up as a result. They said, "Look, you folks are going to have to be deported." And so my dad was deported in the dead of the night. And I never saw him again. They just broke up our family.

My mother took my brother and I to a relief agency and they said, We will help you, and they gave her a letter to take to the authorities or the officials downtown. And my mother, being an American and I being an American because I was born here, complied with that order. When they opened the letter and the order of the relief agency, it just said to provide my mother with a one-way ticket to Mexico with her kids.

That was what happened in the 1930s, a large-scale act of repatriation, where many Americans were sent to Mexico and lived out their young lives there. That just didn't happen to me, because my mother was English speaking; she can understand what happened. We never went.

That is why today there is such a great concern when we talk about the many issues before the House. We are debating economic issues that are coming before us, budgetary issues, and because of the times we are seeing this immigration issue coming up again, time and time again.

It happened in the supplementary assistance request. That is why Mr. Lewis, Mr. Dixon, Mr. Becerra and myself crafted the kind of language that we did, to attempt to in some way impede that history from being repeated again. These are the reasons why people like myself become concerned. I am happy that other colleagues will come to that realization.

As much as we tried to do this, we still have evidence that some legal residents of the United States who have an ineligible member of the family, a head of household who is not a legal resident, is being subjected to the same things—that is being denied disaster assistance because the head of household happens to be ineligible, because that person, namely the father, is a resident, not a legal resident, but a resident waiting naturalization. That is, he is going through the amnesty program. So the woman gets penalized because he is not a citizen. But she is a citizen, so are her children, and consequently we have this situation taking place.

Now, it is important for me to know, is this an intentional interpretation of the statute? We certainly didn't mean it to be that way, but it is happening.

Mr. WITT. We are looking at the amendment that was passed. We are looking at how we can make sure that we comply with the amendment that Congress has passed, but also how we can make sure that disaster victims get help in the way that they should and are not victimized by the system as well.

It is a very difficult situation. I think all of us are as concerned as you are. We are going to do everything we can to make the best of what we have to do and comply with the law.

Mr. TORRES. Well, I know that the legislation talked about taking "reasonable steps" to ensure that long-term assistance is provided only to persons lawfully in the country. I want to see that as well, and that FEMA not engage in complicated and unnecessarily time-consuming procedures to check documents. You can become a mini-INS.

There are over a dozen documents that verify a person's legal residence and we can't expect your agency to become experts on immigration law, because we are going to end up with a lot of delays and discrimination based on confusion and misinformation alone. So you have indicated that you are doing everything possible to minimize this.

Has the agency found that it has the adequate resources, however, to train and execute immigration restrictions of the law? I think Mr. Stokes was asking the same question and I wasn't sure of your answer.

Mr. WITT. Of course, as you said, we do not have the expertise to do INS functions. We would have to rely on another agency to do that, because we do not have the funds to do that. Also, it would take too long for us to train people to do that.

So as we look at the language of the amendment and how we can fulfill the reasonable efforts that Congress has asked for, we will see what we have to do as far as making those reasonable efforts and seeing what the cost would be.

PAYMENTS FOR SALARIES OF EMPLOYEES ON DISASTER

Mr. TORRES. Let me turn my attention to another related matter. It is my understanding that under the Stafford Act the Director of FEMA has the discretionary power to waive the rule, that rule being 44 CFR Part 206. This rule denies reimbursements to units of general government for expenses incurred at regular time labor rates by employees who are detailed to emergency response activities as a direct result of a Presidentially declared disaster.

Now, in times of emergency, the city and county of Los Angeles have determined that this is more cost effective than hiring outside contractors. As a result of FEMA's new guidelines, the county of Los Angeles estimates its additional costs as a result of the rule change will be about $34 million. Similarly, the city anticipates an additional $57 million in expenditures.

The city and the county seem to be unfairly punished at this time for this well-intentioned regulation. I simply would like to ask you to consider waiving this regulation, not only to save the city and the county a great deal of money, but to provide for a more effective emergency response as well.

Mr. WITT. Congressman, I agree with you. Mayor Riordan has talked to me. I also have received a letter from the mayor and have talked to the OMB. Where it can be documented that it was cost effective for a county or a city and that it was going to save Federal disaster dollars by waiving that rule, then OMB agreed that we should waive that rule. So we are working very closely with the communities on that.

I think in one instance where the city of Los Angeles could use its people instead of contracting, it was going to save the disaster fund $6 million on one debris removal.

Mr. TORRES. Thank you.

Mr. Chairman, one more if I may.

Mr. STOKES. Certainly.

Mr. TORRES. In last year's enacted housing bill, a temporary floodplain designation was given to a number of areas in Los Angeles County and a few others in the country as well. The amendment gives FEMA the regulatory responsibility to adopt floodplain management requirements to the needs of the affected communities which are improving their flood protection systems.

It is my understanding that FEMA has missed the scheduled release of the draft regulations on more than one occasion, primarily because of the unanticipated disaster.

Could you please provide me with an update on FEMA's progress with regards to draft regulations?

Mr. WITT. I think we should have that, probably 60 days?

Mr. TIDBALL. Different issue, this is——

Mr. WITT. Is the zone AR designation the one you are talking about?

Mr. TORRES. Yes.

Mr. WITT. The AR designation that you are talking about was created so that the community participating in NFIP was with a discredited flood protection system.

What timeframe, Bob, are you all looking at?

Mr. VOLLAND. Draft regulations should be out this month, sir, and I think the final is scheduled to take effect before October 1st.

Mr. TORRES. So they are completed now?

Mr. VOLLAND. In draft.

Mr. TORRES. The draft is completed? And is it available for comment at this time?

Mr. VOLLAND. They will be available for comment this month. I don't have a precise date.

Mr. TORRES. This month?

Mr. VOLLAND. Yes, sir.

FEMA'S FIRE PREVENTION CAMPAIGN

Mr. TORRES. Okay.

And lastly, today's U.S.A. Today has an article which explains that fire kills 5,000 people nationwide each year. Ed Wall of FEMA—is Ed Wall here?

Mr. WITT. Ed got snowed in, Congressman.

Mr. TORRES. Oh, did he?

Mr. TIDBALL. But he is on his way.

Mr. WITT. He is trying to get here.

Mr. TORRES. Ed Wall is FEMA's Fire Administrator, he says these deaths are really preventable.

What is FEMA doing to step up its fire protection campaign or prevention campaign?

Mr. WITT. We are working very hard.

Of course, let me say something about Ed Wall. Ed is retiring in March. And he has done a fantastic job, and all of us will miss Ed and his expertise in fire.

When I was State Director in Arkansas, I initiated a fire program in Arkansas, at the county level and the State level, to help improve fire training at the volunteer and paid departments. Everything we do here at the National Fire Academy for fire training and everything we do working with State fire training academies, are going to increase training at those levels.

But also Ed has been working very hard on the public awareness campaign as well, also on sprinkler systems, and, of course, on the arson problem. Over a million dollars will be utilized in arson training and we have three classes up at Emmitsburg now where they can set fires and look at how to detect arson. Arson has just increased tremendously, and we all realize the impact that fire has had on this Nation.

Mr. TORRES. Thank you very much.

Mr. WITT. Thank you, Congressman.

Mr. STOKES. Okay. Mr. Thornton.

TRANSFER OF EMERGENCY FOOD AND SHELTER TO HUD

Mr. THORNTON. Following along the line of the questions asked by my colleague, Mr. Torres, I have been very concerned that we may have been too strict in passing the amendment in full committee regarding undocumented workers. In fact, I voted for a provision which would have required that due process be accorded anyone in advance of a declaration of ineligibility for emergency relief.

Mr. TORRES. That was Mr. Coleman's amendment.

Mr. THORNTON. That was Mr. Coleman's suggestion. The purpose, as I see it, of your agency is to get on the scene fast and to provide relief and help those who are hurt. I cannot understand how you can be expected to become an immigration service and to make that evaluation on the scene.

We did have language in Mr. Torres' amendment that said that certain emergency features such as emergency food and emergency shelter and water would not be included in this determination. You do see that some of the Members of Congress, at least, are concerned about the increased burden that we are placing on your agency by requiring you to make this determination.

Mr. WITT. It will be increased, I can assure you.

Mr. THORNTON. And it will be expensive.

Mr. WITT. Yes, sir.

Mr. THORNTON. And I am not sure how much good will be accomplished by the expense that the full Congress imposed. I am deeply concerned about this.

But I am also concerned about something that your agency has traditionally handled so well. Mr. Lewis alluded to this in his suggestion that FEMA should be given additional responsibility in providing the leadership between agencies as to emergency services, emergency food and water.

Mr. Witt, I am frankly concerned about what I see in your proposal regarding emergency food and shelter, which you have handled so well: the 1993 actual expenditure was $129 million; the 1994 estimate was $130 million; and the 1995 request is zero. It is my understanding that this responsibility may be transferred to HUD? Is that correct?

Mr. WITT. Yes, Congressman Thornton, the Administration feels that it should consolidate those programs into the shelter program in HUD.

Mr. THORNTON. Well, does the shelter program deal with emergencies?

Mr. WITT. A different type of an emergency. The emergency food and shelter program is a system that is used all across the United States to provide food and shelter for people in communities. It works through the nonprofit organizations in those communities. It is a very important program.

Under FEMA, it has gone very, very well. Very little administrative costs: five FTEs and 3 percent administrative costs.

Mr. THORNTON. Well, Mr. Witt, I also understand and value so much your duty to support the administration in its requests, and I would not want to interfere with that, but I do want to find out—and we have a right to know—whether this was a decision that you made or whether OMB or somebody else suggested that this transfer ought to occur.

Mr. WITT. It was a decision the Administration made to try to consolidate services.

Mr. THORNTON. Can you continue to provide these services?

Mr. WITT. If it is transferred, no, sir.

Mr. THORNTON. If we continue to fund this program can FEMA continue to provide these services?

Mr. WITT. Oh, yes. Yes, sir.

Mr. THORNTON. If FEMA could continue to provide these services, would your agency would be willing to do so?

Mr. WITT. The program has been run very well, yes.

Mr. THORNTON. Then, I guess the bottom line is—let me just be straightforward—did you request that this be transferred out?

Mr. WITT. No, sir.

EMERGENCY MANAGEMENT ASSISTANCE GRANTS

Mr. THORNTON. Thank you.

Mr. Witt, I am also concerned about what seems to me to be the steady state of your estimates for emergency management planning and assistance. That is the program that works with the States, isn't it? This is very important to States.

Mr. WITT. Emergency Management Assistance funds, yes, sir.

Mr. THORNTON. Yes, it is very important to States to have this program well funded. There is a modest increase, but it looks like it is just a cost-of-living increase or adjustment for inflation, steady dollars.

Is this the amount that you requested of OMB?

Mr. WITT. What we tried to do was to move closer to a 50–50 match basis for Federal and State funds for the EMA program. Every dollar that is lost in EMA is $2 that is lost at the local level for their emergency management infrastructure.

We requested $78 million for the program from OMB, a little over $7 million increase for 1995, because we were trying to move towards improving State and local capability.

Mr. THORNTON. Well, it seems to me that is a very worthwhile objective. I wanted to find out what your view was on this.

And again, let me congratulate you for a splendid job of handling the resources that have been provided. Keep up the good work.

Mr. WITT. Thank you, Congressman.

Mr. THORNTON. Mr. Chairman, I better go vote. I am through.

EMPHASIS ON MITIGATION

Mr. STOKES. All right.

Mr. Witt, you mentioned mitigation programs a few moments ago, and I want to turn now to one of the new functions, which is a mitigation program. For fiscal year 1995, FEMA is requesting an increase of $10,038,000, or 15 percent above the fiscal year 1994 current estimate.

Based upon your statement, mitigation is one of your top priorities. Tell us why you have chosen to emphasize mitigation programs.

Mr. WITT. Under the reorganization, we established a Mitigation Directorate for the simple reason that mitigation will save Federal, State and local disaster dollars. Not only that, it will help people.

Can you imagine if we had really pushed a strong mitigation program 10 years ago? Can you imagine the frustration level and the losses that could have been avoided in the Midwest flood or the earthquake in California? Or the fires that were in California?

Preventing human losses and human suffering and saving disaster dollars are of utmost importance. That is why I have been pushing mitigation so strongly.

HURRICANE PROGRAM AS A PRIORITY

Mr. STOKES. According to EM–44, the largest portion of the $10 million increase, more than $6 million, will go for increased emphasis on hurricanes. In fact, funds were reprogrammed in 1994 for hurricane mitigation efforts. Tell us why you have chosen to make hurricanes such a high priority.

Mr. WITT. Mr. Chairman, we have 22 States and territories that are very susceptible to very serious hurricanes. In the past at FEMA, we have only put $896,000 into a hurricane program. Last year, for the first time ever, when we had a meeting in Florida with all of the hurricane prone State directors, we sat around a table to identify what our responsibility was, and what we needed to do to be better prepared for hurricanes. If we are better prepared, we are not only going to save lives, but we are going to save property as well, and that is the initiative in the hurricane program.

Neither FEMA nor the Federal Government has supported a national hurricane program as it should be supported. I think it is important that we emphasize this program and start to try to build this program to where it should be.

If we had a hurricane hit New Orleans, the evacuation plans and procedures would be critical. It is very difficult to keep those plans and those practices updated as they should be without the funding. It is just not there. That is why it is so important.

SEISMIC ENTERPRISE ZONES

Mr. STOKES. Director, tell us what is a seismic enterprise zone? Enterprise and empowerment zones I am familiar with.

Mr. WITT. Let me give you just a little bit of background. When I was in Arkansas, we in Yell County, as a matter of fact, developed enterprise zones to give businesses an incentive to build in that enterprise zone by giving tax breaks and to hire local people. So why not establish an enterprise zone for earthquakes, where we could give them incentives to build a seismic safe building, to build a better school or to build a better business or better home? It will save us money.

It is a pilot project that we are doing. I think it is important and I think it could have potential for the future. I think we could build communities better and safer.

EARTHQUAKE FUNDING FOR STATES

Mr. STOKES. That makes a lot of sense. Of the increased request in mitigation, $1,500,000 is for increased financial assistance to States—earthquake assistance—to develop and deliver programs concerning earthquake awareness.

What is the total amount being provided to States for earthquake activities?

Mr. JOHNSON. For fiscal year 1994, Mr. Chairman, it is $3.9 million.

Mr. STOKES. That is for fiscal year 1994?

Mr. JOHNSON. Fiscal year 1994, sir.

Mr. STOKES. And for fiscal year 1994, funds were provided to States based upon a formula. Is this still true?

Mr. JOHNSON. Yes, it is, sir.

Mr. STOKES. Okay. What type of formula is in place?

Mr. WITT. It has a base. Is it $35,000?

Mr. JOHNSON. Forty thousand dollars.

Mr. WITT. Forty thousand dollars is the base for the earthquake program, and then the rest of the formula is based on population that lives in high risk areas.

Mr. STOKES. We are going to ask you to provide for the record a breakdown by State of the allocation of earthquake funds.

[The information follows:]

EARTHQUAKE FUNDING FOR STATES
1994 State Assistance Program Target Allocations*

Alaska	$ 72,800
Arizona	71,200
Arkansas	56,300
California	1,494,000
Colorado	50,800
Connecticut	63,200
Georgia	66,500
Guam	57,300
Hawaii	62,600
Idaho	51,000
Illinois	70,900
Kentucky	58,100
Massachusetts	86,600
Mississippi	51,500
Missouri	64,900
Montana	51,800
Nevada	59,400
New Hampshire	51,600
New Jersey	98,800
New Mexico	51,100
New York	157,700
North Carolina	62,900
Oklahoma	50,500
Oregon	74,500
Pennsylvania	107,300
Puerto Rico	82,100
Rhode Island	52,100
South Carolina	61,900
Tennessee	77,600
Utah	67,500
Vermont	47,000
Virginia	67,300
Virgin Islands	46,100
Washington	101,900
TOTAL	$3,746,800

* These figures represent planned allocations. Actual obligations for the fiscal year will likely vary.

FEE COLLECTION FOR RADIOLOGICAL EMERGENCY PREPAREDNESS

Mr. STOKES. Another new function is the preparedness training and exercises activity. For fiscal year 1995, FEMA is requesting an increase of $2,300,000, about 1.8 percent above the 1994 current estimate, and $7,764,000, about 6.3 percent, above the 1994 request.

Under this component, FEMA provides technical assistance, training and exercise activities to enhance or establish emergency management capabilities.

One of the activities included in this section is the Radiological Emergency Preparedness Program. In the fiscal year 1995 budget request, FEMA is proposing to continue language allowing FEMA to promulgate rules to recover the costs of Radiological Emergency Preparedness Program through fees.

In August, FEMA promulgated the proposed rule. Has the final rule been promulgated?

Mr. KWIATKOWSKI. No, not yet. Based on our internal discussions, we will be looking at a more fair and equitable fee structure.

Mr. STOKES. Do you have any idea as to when we can anticipate its promulgation?

Mr. KWIATKOWSKI. This fiscal year we will probably be putting another rule out for comment, and I suspect by the end of the fiscal year we will have another rule in place, but we are looking at a different structure.

Mr. STOKES. In fiscal year 1995, you anticipate collecting $11,525,000 in offsetting receipts, which is the same amount as projected in fiscal year 1994. Tell us why this number is not projected to increase?

Mr. WITT. The fee system as set up now, has basically been the same each year. Could it change under a different fee structure?

Mr. KWIATKOWSKI. The amount that we are requesting could change. However, the structure would not affect the amount that we are requesting. The amount would be what is required to conduct the program and provide the regulatory services.

COST OF ADMINISTERING R.E.P. PROGRAM

Mr. STOKES. I see. At last year's hearing, Mr. Krimm stated that this program was administratively burdensome. FEMA estimated that the cost to administer this program was approximately 5 percent of collections. Now I understand the estimate is higher.

What is the estimated cost of administering the program now?

Mr. WITT. It is about 10 percent, Mr. Chairman.

Mr. STOKES. Are any means being developed to reduce the costs?

Mr. KWIATKOWSKI. The cost of collecting the fee would be reduced if we went to a different fee structure which would not be based on strict cost accounting principles. And that is what we are looking at doing, to try and reduce the amount of effort that is going into actually collecting the fee.

COST OF STIPENDS AND ADJUNCT FACULTY

Mr. STOKES. In the past, the committee has expressed some concern about student stipends and the cost of adjunct faculty. For the record, we will ask you to provide an update on the number of students trained at EMI for fiscal years 1993, 1994, and estimates for 1995. A similar table can be found on page 77 of the fiscal year 1994 hearing record.

NATIONAL TECHNICAL CENTER

Also for the record, please provide the stipend provided and the adjunct faculty costs for fiscal years 1993 and 1994.

[The information follows:]

COST OF STIPENDS AND ADJUNCT FACULTY

	Students	Offerings	Stipends	Contract instructors
Fiscal year:				
1993 actual	4,477	145	$1,368,783	$498,647
1994 estimate	4,248	125	1,625,103	527,800
1995 estimate	4,500	146		

Mr. STOKES. Now, according to page EM–17, FEMA plans to develop a National Technical Center in fiscal year 1995. Can you describe the purpose of this?

Mr. JOHNSON. Mr. Chairman, the National Technical Center is a center that is currently located up at our Special Facility in Berryville. The center right now has a capability to principally deal in radiological instruments to provide guidance and support to our State and local counterparts.

The proposal here is to expand that capability at the National Technical Center to include not only radiological instrument support but also get into the hazardous materials, biological and chemical instrumentation requirements that we need to help out our State and local counterparts.

USE OF SPECIAL FACILITY

Mr. STOKES. I also understand that the functions of the Special Facility have been broadened somewhat. Can you comment on the expanded use of the Special Facility?

Mr. WITT. Yes, sir, Mr. Chairman. What we have done is change the security structure at the Special Facility so that we can use the dormitories, the training classrooms, and also the staff up there.

We have had CUSEC, Central United States Earthquake Consortium, have its meeting up there for training. We have also had a number of other Federal agencies that have utilized it for training.

Also, we have utilized the facility for teleregistrations during disasters because we have had to increase our teleregistration centers and it has been an outstanding facility to do that. We are expanding on the use of it, with different training and exercise functions utilizing the facility.

EMA GRANTS TO STATES

Mr. STOKES. Director Witt, we will ask you to provide for the record a table similar to the table in last year's hearing showing the distribution of EMA grants to the States for fiscal years 1992, 1993 and 1994.

[The information follows:]

EMERGENCY MANAGEMENT ASSISTANCE GRANTS
(Dollars in Thousands)

State/Territory:	FY 1992 Actual Obligations	FY 1993 Actual Obligations	FY 1994 Estimated Obligations
Alabama	1,100	1,172	1,190
Alaska	409	476	506
Arizona	979	1,074	1,112
Arkansas	798	852	866
California	5,093	5,721	5,980
Colorado	911	1,003	1,042
Connecticut	933	1,008	1,028
Delaware	512	588	551
District of Columbia	517	538	539
Florida	2,438	2,816	2,848
Georgia	1,421	1,575	1,636
Hawaii	610	638	644
Idaho	558	600	617
Illinois	2,330	2,516	2,569
Indiana	1,279	1,475	1,470
Iowa	826	991	931
Kansas	782	854	878
Kentucky	988	1,076	1,106
Louisiana	1,102	1,213	1,212
Maine	613	646	654
Maryland	1,184	1,362	1,311
Massachusetts	1,353	1,535	1,519
Michigan	1,918	2,095	2,151
Minnesota	1,408	1,494	1,408
Mississippi	774	858	907
Missouri	1,185	1,314	1,359
Montana	551	576	580
Nebraska	594	669	699
Nevada	565	626	652
New Hampshire	420	530	581
New Jersey	1,685	1,822	1,860
New Mexico	508	627	675
New York	3,655	3,830	3,841
North Carolina	1,495	1,626	1,672
North Dakota	521	544	546
Ohio	2,160	2,368	2,436
Oklahoma	882	970	1,001
Oregon	829	918	953
Pennsylvania	2,456	2,623	2,659
Rhode Island	444	532	573
South Carolina	996	1,099	1,106
South Dakota	482	528	545
Tennessee	1,164	1,284	1,329
Texas	3,268	3,627	3,667
Utah	700	744	757
Vermont	434	495	515
Virginia	1,380	1,522	1,575
Washington	1,145	1,279	1,336
West Virginia	664	727	748
Wisconsin	1,201	1,305	1,338
Wyoming	482	507	514
American Samoa	85	120	123
Guam	153	195	200
North Mariana Islands	85	151	144
Puerto Rico	993	1,066	1,086
Trust Territory (excluding NMI)	...	...	...
Virgin Islands	110	228	165
Indian Tribe Set Aside	...	...	...
Undistributed	...	...	718
Total	62,128	68,628	70,628

Excludes undistributed obligations.

TRAINING EMPHASIS FOR SARA TITLE III

Mr. STOKES. Last year at the hearing we discussed how the training emphasis for SARA should be broadened. This is on page 61 of last year's hearing record. Has that training program been broadened?

Mr. WITT. SARA Title III funding is $5 million. Most of that money goes directly to the States for training in hazardous material programs, and very little administrative fee is kept at FEMA for that training. The training program itself could be broadened at the State level by expanding both programs through the SARA Title III.

Mr. STOKES. For the record, please provide the estimated SARA training grants by State or territory for fiscal year 1994.

Mr. WITT. Okay.

[The information follows:]

FY 1994 SARA Title III ALLOCATIONS

REGION I	Amount
Connecticut	$ *
Maine	$ *
Massachusetts	$ *
New Hampshire	$ *
Rhode Island	$ *
Vermont	$ *
Regional Response Team	$ *
Unallocated	$ 300,000
TOTAL	$ 300,000

REGION II	Amount
New Jersey	$ *
New York	$ *
Puerto Rico	$ *
Virgin Islands	$ *
Unallocated	$ 450,000
TOTAL	$ 450,000

REGION III	Amount
Delaware	$ *
District of Columbia	$ *
Maryland	$ *
Pennsylvania	$ *
Virginia	$ *
West Virginia	$ *
Unallocated	$ 300,000
TOTAL	$ 300,000

REGION IV	Amount
Alabama	$ *
Florida	$ *
Georgia	$ *
Kentucky	$ *
Mississippi	$ *
North Carolina	$ *
South Carolina	$ *
Tennessee	$ *
Unallocated	$ 650,000
TOTAL	$ 650,000

REGION V	Amount
Illinois	$ *
Indiana	$ *
Michigan	$ *
Minnesota	$ *
Ohio	$ *
Wisconsin	$ *
Unallocated	$ 800,000
TOTAL	$ 800,000

REGION VI	Amount
Arkansas	$ *
Louisiana	$ *
Mew Mexico	$ *
Oklahoma	$ *
Texas	$ *
Unallocated	$ 450,000
TOTAL	$ 450,000

REGION VII	Amount
Iowa	$ 79,000
Kansas	$ 62,332
Missouri	$ 98,734
Nebraska	$ 109,934
TOTAL	$ 350,000

REGION VIII	Amount
Colorado	$ 42,500
Montana	$ 31,000
North Dakota	$ 30,000
South Dakota	$ 25,398
Utah	$ 60,000
Wyoming	$ 35,000
Unallocated	$ 21,102
TOTAL	$ 245,000

REGION IX	Amount
Arizona	$ 51,500
California	$ 263,000
Hawaii	$ 51,500
Nevada	$ 65,000
North Mariana Islands	$ 12,000
Guam	$ 7,000
American Samoa	$ 10,000
Unallocated	$ 75,000
TOTAL	$ 535,000

* Region is in the process of negotiation. Final figures are expected no later than March 31, 1994.

REGION X	Amount
Alaska	$ 65,000
Idaho	$ 77,700
Oregon	$ In Negotiation
Washington	$ 57,250
Unallocated	$ 50,050
TOTAL	$ 250,000

TOTAL	**$4,330,000**

1994 REDUCTION IN RESPONSE AND RECOVERY REQUEST

Under the Response and Recovery activity, the 1994 budget request under the Emergency Management Planning and Assistance (EMPA) appropriation was reduced by $4,054,000 to reach the 1994 current estimate level in order to meet the general reduction mandated by the Congress and to reprogram funds to support the Agency's Hurricane Program. This reduction affected the following program areas:

-- $222,000, primarily due to the termination of certain Agency contractual support arrangements for response planning;

-- $288,000, from a reduction in additional training for new all-hazard missions;

-- $136,000, because of eliminating planned audio visual upgrades to the Emergency Information Coordination Center;

-- $997,000, from a reduction in the Mobile Emergency Response Support (MERS) support for special events, the elimination of medical requirements for the MERS detachments and other support expenses;

-- $944,000, from a reduction in Agency participation in certain exercise, training and special events; and

-- $1,467,000, from FEMA's National Security activities.

UNDERGROUND STORAGE TANKS

Mr. STOKES. According to the justification, FEMA is requesting $5 million for implementing corrective actions for federally owned underground and above-ground storage tanks. Can you update us on the status of the repair and upgrading of these tanks?

Mr. WITT. I think there have been over 500 tanks that have been identified. And how many have been replaced?

Mr. KWIATKOWSKI. There are 593 identified tanks at EBS stations, of which 415 are federally owned. Forty-six of those are undergoing renovation. There are 1,800 underground storage tanks at local EOCs and 68 of those are to be replaced.

Mr. STOKES. Now, does that give us the total number of tanks that are still in need of corrective actions?

Mr. KWIATKOWSKI. That is the number that we have right now. There might be more. The big unknown right now is the environmental remediation as the tanks are taken out; that is the only thing that would affect the out-year costs. Right now we have projected costs that would take care of the tanks, but if there are environmental concerns, then that is not included.

COMPREHENSIVE EXERCISE PROGRAM

Mr. STOKES. In fiscal year 1995, FEMA plans to administer a new comprehensive exercise program to enhance emergency response capabilities at the State and local level. Can you provide some detail about this new program?

Mr. WITT. We need to implement a better exercise program at the State and local level and support it strongly through the regions to the State and locals—a program more consistent with the REP program where there is an evaluation of the exercise so that the States can meet the risks that they face instead of going through a check-the-block exercise system.

Mr. STOKES. Explain to us, Director, how this program would enhance emergency capabilities at the State and local level that are different from FEMA programs which already provide similar assistance?

Mr. WITT. It would enhance the exercises because they would be evaluated similar to how the REP program is. If you evaluate an exercise to identify the mistakes that have been made in the exercise, you can go back and revisit that portion of that exercise to make sure that mistakes are corrected.

1994 REDUCTION IN RESPONSE AND RECOVERY

Mr. STOKES. One of the functions, Response and Recovery in Emergency Management Planning and Assistance, is requested at $13,782,000 for fiscal year 1995.

Although the request for Response and Recovery is the same as the current estimate for fiscal year 1994, it is over $4 million less than the original request in fiscal year 1994.

Can you describe for us what this new function includes?

Mr. JOHNSON. The function of the Response and Recovery Directorate, Mr. Stokes?

Mr. STOKES. Yes; we are talking about the $4 million decrease in this new function, Response and Recovery.

Mr. JOHNSON. Correct. As we crosswalked the programs from our prior structure into the Response and Recovery Directorate, we did incur a $4 million decrease. Many of the reductions came from some of the former defense-related programs, and I think it would be appropriate that we provide those specifics for you for the record.

[The information follows:]

1994 REDUCTION IN RESPONSE AND RECOVERY REQUEST

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$1,467,000, from FEMA's National Security activities.

Mr. STOKES. Was the reduction the result of restructuring the program?

Mr. JOHNSON. Yes.

ENHANCEMENTS TO FEDERAL RESPONSE PLAN

Mr. STOKES. According to page EM–9, you plan to enhance the Federal response plan in fiscal year 1994. What further enhancements will be made to this plan?

Mr. WITT. It involves the operational capability.

Mr. JOHNSON. It is to develop operational capabilities, Mr. Chairman. In particular, one of the real things we need to improve on in our Federal response plan efforts is to develop standard operating procedures, not only here with our Federal agencies in Washington, but also to establish standard operating procedures that are consistent at the State level with our regional counterparts.

Mr. WITT. And interagency counterparts.

Mr. STOKES. According to page EM–9 of the justification, enhanced regional planning and response capabilities will be developed to support Federal response plan activities. How will regional planning and capabilities be enhanced?

Mr. WITT. At the present time, we have not had the funds to go out and exercise the Federal response plan with the regions and States and locals. In order to integrate those Federal response plans in regional State and local emergency management, it is very important that we do that.

DAMAGE ASSESSMENT TEAMS

Mr. STOKES. You will remember, Director, at our hearings last May, you stated that once the task force reviewing the Federal response system completed its work, damage assessment teams would be established to quickly assess a disaster situation.

Also, you had hoped that FEMA would be able to exercise its capability with the State and locals.

The committee, in its report accompanying our appropriations bill, requested that FEMA keep us informed about this issue. What is the status of the development of damage assessment teams?

Mr. WITT. We have worked very closely with the States and also the Federal agencies to put together damage assessment teams, and I think you can see the difference that it made in the Midwest floods and the California earthquake. It went very well, and the assessment teams worked very well. So we need to develop teams that can be deployed to set up disaster field offices while we are working on that.

AUTHORITY FOR PREPOSITIONING OF RESOURCES

Mr. STOKES. You also indicated at our hearing last May that you may seek further legal authorities to enable FEMA to preposition resources.

Mr. WITT. Yes, sir.

Mr. STOKES. Has that been done?

Mr. WITT. It has not been done, but it is in our changes under the Stafford Act that we are working on and should hopefully have very soon.

Mr. STOKES. Okay. You recall last year we discussed the Domestic Emergency Management System's concept of operations. Is FEMA still planning to utilize DEMS and the domestic approach concept in its response and recovery activities?

Mr. WITT. DEMS has changed. We do not have DEMS anymore.

Mr. KRIMM. That is correct, we no longer have it. DEMS was part of the National Preparedness Directorate. It included the mobile emergency response system, the mobile air transportation group, and other elements that were part of FEMA's national security programs. These have all been merged into the Response and Recovery Directorate, and are now part of the Federal Response Plan. They were used in the response both to the floods in the Midwest and in the Northridge earthquake.

SUPPORT FOR THE WORLD CUP GAMES

Mr. STOKES. I note on page EM–9 of the justification FEMA supported the World University Games, the 1993 World Youth Day celebration and the 1994 World Cup soccer championship. How does FEMA support these activities?

Mr. WITT. We will be supporting the World Cup and also the 1996 Olympic games as well. We have already had one training session up at the Special Facility with all of the agencies that are participating in this. And we will be supporting it next year.

CIVIL DEFENSE REQUIREMENTS STUDY

Mr. STOKES. At last year's hearing we asked about the civil defense requirement study, and it had not been completed. What is the status of this study?

Mr. SHIVAR. It is completed. The Director needs to be briefed on it. It is ready to go to OMB for clearance, and we should have it to you very soon.

Mr. STOKES. All right.

Mr. Lewis.

OUTSTANDING ISSUES FROM LOMA PRIETA

Mr. LEWIS. It is completed. We will see about it soon.

Thank you, Mr. Chairman.

Is it accurate, Mr. Director, to suggest that totally 40 percent of the FEMA monies for the 1989 Loma Prieta earthquake remain unspent?

Mr. WITT. I am not sure of the percentages on the Loma Prieta earthquake. There have been some issues out there that have been ongoing for a long time. I think we have almost resolved all of those issues.

One of them was the Watsonville Hospital issue that we have resolved. Another concerns Stanford University, which we will be finalizing by the end of next week. Concerning the San Francisco City Hall issue, our engineers and I have a new task force working on this and we hope to have that finalized by the end of March.

Mr. LEWIS. In view of other circumstances more recently, I think my reason for questioning is obvious, but I understand the problem in Loma Prieta has to do with disagreement between local officials and FEMA representatives about approving architectural plans for the replacement of individual buildings such as public schools and other public buildings.

Mr. WITT. I think there was a disagreement based on the codes and the seismic standards in place at the time of the earthquake and what was in place when they started negotiating to try to settle that. They wanted to start using base isolation technology in reconstructing the buildings, which was not in existence at the time of the earthquake and so forth.

There are a lot of issues that I inherited in Loma Prieta, where I feel that we have made major efforts toward getting them resolved. We are involved every day to get them resolved.

Mr. LEWIS. When crises disappear from the mind's eye of the public as well as the media that might be most interested at the time, these fall through the cracks. And these other problems like the floods and hurricane Andrew, are going to bring one of our colleagues here this afternoon from the Andrew circumstance, expressing probably concerns like this.

I am trying to lay the foundation to better understand what kinds of questions ought to be requested, but what problems we can avoid in terms of the long-term relationship of this earthquake.

Mr. WITT. I think that we are probably addressing a lot of what would possibly be long-term issues in the Northridge earthquake by utilizing the mitigation funds up front with the rebuilding process to meet those new codes and standards that have been put in place since the Loma Prieta earthquake.

Of course, I was not there. I do not know what happened during that phase, but I understand what is happening on these issues and that we are getting them resolved. So I wanted to make sure that we did not have the same issues under Northridge.

INCENTIVES FOR MITIGATION

Mr. LEWIS. Well, certainly the intent here is both appropriate and helpful, but measuring what actually happened over time could be important to our ongoing evaluation and how we can better respond. We will ask some of these follow-up questions next year, I am sure.

I am going to a luncheon today with a number of my colleagues from California who are specifically concerned with ways that we can respond to providing assistance whereby the public can be involved in participating up front themselves, not having all of these especially dollar responses being purely Federal taxpayer dollar responses to such crises.

The most frequently asked question from non-California Members of the House I find is, Why don't Californians carry private earthquake insurance. The feeling is that we should pay premiums ourselves and have those items covered and thereby share more directly in the pooling that pays for the direct costs. That is really the reason we are hearing today.

But also I have joined with my colleague the Chairman of the Public Works Committee, Norman Mineta, in introducing legislation that would address the subject area. It is known as the National Disaster Protection Act. That bill provides money to States for mitigation, it calls for the adoption of model building codes, and standardizes homeowners insurance policies to include not only earthquake disasters, but other potential disasters in terms of a standard policy of homeowners contract.

Ms. Bullock, of your agency, offered testimony about the bill on February 23rd in the authorizing committee and I was struck by one of the constructive criticisms that she provided, so let me go through that, if you will, for a moment.

It suggested that H.R. 2873 has the goal of "reducing the need for Federal disaster assistance through widespread purchase of insurance." The problem insofar as FEMA is concerned, by way of this testimony in perspective, is that the bill does little to increase the number of States or localities that will enact and enforce mitigation measures. The reason for that is the lack of incentives or penalties.

One such incentive would be to base the formula for allocating general assistance from FEMA on mitigation measures which a local community puts in place before the crisis.

In other words, should we have some kind of a formula that evolved over time where people have participated in preventive programs and that would relate some way to the way we would respond? That is hard to sell to devastated communities at the time of a crisis.

Can you tell us more specifically how that would work or suggest the additional incentives which would improve local communities' emergency response?

Mr. Witt. The concept of the bill is good, and I do not disagree with that. There are some issues and we are meeting Friday with Mr. Weber and others on the bill.

Mr. Lewis. Yes, I am really encouraged.

INSURANCE FOR NATURAL DISASTERS

Mr. Witt. Earthquake insurance is available now. It is expensive; less than 3 percent of the people participate in nine earthquake regions. Flood insurance is available as well for the flood insurance program. Yet we only have one out of five people in flood prone areas participating in the flood insurance program.

We have got to be better at what we do as far as marketing our own insurance program. But if we are going to have a Natural Disaster Protection Act or natural disaster insurance bill, let's make it an insurance bill that would cover all disasters, not just earthquakes. If we are going to have a bill that is going to be reinsured by the Federal Government, which involves a lot of funds, let's make sure that the insurance program will cover all of the natural disasters that we have.

My concern is, too, if we spread this insurance premium across the United States, there is nothing in the bill that says if you live in a high-risk area, then it is mandatory that you purchase that insurance. So are we going to change anything besides what we have now in place?

We have earthquake insurance, we have flood insurance. But we need something to say that if you do not have this insurance, then are you not going to receive disaster assistance if you are struck by an earthquake or a flood or a hurricane or whatever. There is nothing in there.

So what is going to force an individual to buy the insurance? I shouldn't say "force." That is not the right word. But what I am saying is that if it is hard to convince people to buy the insurance now, how are we going to convince them to buy insurance under this?

Mr. Lewis. Well, I must say that I understand your concern and probably more than you are reflecting by your words. I tend to be a marketplace person myself. But the reality is because of the way the underwriting has been done for these kinds of protection needs, the whole process has been somewhat piecemeal. It has been almost crisis-oriented as the people who are addressing crises tend to be.

And so in the contracts that relate to homeowner protection, usually these coverages are side-bars, that is, they are extra premium items. And so if you have just been through a Loma Prieta or you have just been through the Northridge quake, a lot of people are talking about earthquake insurance. But the people in Missouri, where they haven't had one since 1911, aren't thinking about it. And yet, they are sitting on one of the most dangerous faults in the entire world.

And so the thing that we have got to be discussing is whether or not you develop a policy that would strongly direct the industry to consider within their standard homeowners contract these coverages, with some formula that applies to relative risks, that people in California will say, Why do we have to worry about tornados, we don't have them here. But nonetheless, you understand what I am saying.

Mr. WITT. I understand.

Mr. LEWIS. It is a fact that floods affect us all. One time or another, if you haven't had a disaster lately, that is because you haven't gotten up yet today perhaps. So that the thought is, is it possible to encourage the insurance agent to put it in their standard form, which does lead to a requirement for protection of fire insurance, for example, that leads to people in high percentages buying that coverage as a part of the package, because they can't buy the basic coverage without the package.

You are not saying, mandating you have got to buy everything by way of Uncle Sam, but nonetheless you put great incentive in that direction. It seems to me that something along those lines certainly serves the American taxpayer better than just automatically depending upon the taxpayer pool that FEMA so ably oversees. At the same time, we do a lot for your reserves in terms of the next crisis that might come along that we haven't anticipated.

Mr. WITT. One of the things, Congressman, that I would like to say is that I think under that bill there is something like a billion dollars a year that would go into a disaster relief fund.

In the bill, the Federal Government would basically be the reinsurance agent for insurance companies. In that bill, based on information prepared for this legislation, it is estimated that if we had "the big one", a catastrophic earthquake, it could cost as much as $80 billion.

Mr. LEWIS. And that is a guesstimate.

Mr. WITT. That is just a guess, and I am using their guess.

Based on that, if we had "the big one" five years from now, there would be $5 billion in the relief fund. Based on their figures the anticipated cost, with the Federal Government being in the reinsurance role, would be $50 billion for the Federal Government to reinsure those agents.

Mr. LEWIS. Well, there is another——

Mr. WITT. That concerns me.

MARKETING NATURAL DISASTER INSURANCE

Mr. LEWIS. There is another element that is very much a part of this. Presumably hand in hand with that as you include in the standard benefit package more and more people buying protection, first and foremost those individual contracts would produce coverages payable to those individual people above and beyond the general base of the relief that the pool would be designed for.

Presumably the demands wouldn't be as great, the demands on the general pool wouldn't be 100 percent and the individual contracts would cover those. The problem here is that it is anticipated that with just a couple of swiggles in what occurred in this case, there are several major deliverers of coverage who would have been belly-up. They would go out of the marketplace and then the government becomes the insurer of first resort, rather than the reinsurers.

As our House task force goes forward, I think it is very important that we try to think through how we can exercise the private sector to be out on the frontlines, how we can exercise citizens to participate in a general form, recognizing that indeed Missouri hasn't had that earthquake lately, but indeed while tornadoes don't hit California often, wind storms do. And it seems to me that we need to rethink how we can help the marketplace work better.

Mr. WITT. I agree with you wholeheartedly. I think the concept is good; I really do. It is just a matter of making sure we get the right bill in place to make sure that not only the Federal Government and the disaster programs for the future are in good shape, but also the insurance companies and the victims or the policyholders are as well.

I think it is important that we identify what the cost of a premium would be under this type of a program. For someone who lives in Ohio or North Dakota or California or wherever they live, we need to make sure that they have options for the type of insurance that they needed for the risks that they face.

IMPORTANCE OF BUILDING CODES FOR MITIGATION

Mr. LEWIS. The premiums, certainly, come down significantly when you have a broadly based pool. The difficulty is that even in California, nobody except those who live in the major area buy X kind of coverage. And so it distorts the underwriting very significantly.

I gathered from your testimony that you would strongly suggest that we ought to be encouraging or adopting model building codes across the country that mitigate against these difficulties.

Mr. WITT. Yes, sir.

Mr. LEWIS. Another slant to the same thing that you mentioned early on to the Chairman that this videotape had a very big impact, I was laughing to myself suggesting that we ought to send this videotape to every Member, at least of the California delegation. And the Chairman further suggested something to me that I will discuss with you very privately.

Thank you very much.

Mr. WITT. Thank you.

Mr. STOKES. Mr. Thornton.

EARTHQUAKE AWARENESS IN ARKANSAS

Mr. THORNTON. Mr. Chairman, just to avoid Arkansas' being left out of the earthquake discussion, I would like Mr. Witt to tell us where the largest, most serious earthquake in the Continental 48 States occurred.

Mr. WITT. Marked Tree, Arkansas.

Mr. THORNTON. An 8.3 to 8.6 earthquake.

Mr. WITT. In 1811 and 1812, yes, sir.

Mr. THORNTON. It rang bells in Philadelphia.

Mr. WITT. Ran the Mississippi River backwards.

Mr. THORNTON. Yes, sir.

Mr. STOKES. Is that right? What year was that?

Mr. WITT. In 1811 and 1812.

Mr. THORNTON. And in light of Mr. Lewis' question, how hard would it be to get people to obtain earthquake insurance now in that area? It has been 107 years since a shake like that has come along, and yet the scientists tell us that it may be the site of the next "big one", that it might happen sometime.

Mr. WITT. I think the awareness level in Arkansas is much greater now than it has been in the past because of Dr. Browning's projection three or four years ago.

Mr. THORNTON. That prediction had CBS and ABC and NBC all ready to cover it.

Mr. WITT. Yes, sir, they had television stations from all over the world over there. Even the earthquake in California has heightened the awareness level of every earthquake-prone State. So I think the awareness level is there.

When Governor Clinton was there, we pushed our legislators very hard to get an earthquake seismic building code bill passed, and they passed it, with a pretty stiff fine of a thousand-dollars-a-day if it was not enforced.

Mr. LEWIS. Would you yield?

Mr. THORNTON. I would be pleased to yield.

Mr. LEWIS. You raised an important point by making the point relative to Arkansas and other areas. But it is when people are more aware across the country that you have the opportunity to sometimes move when you can't move otherwise on significant policy shifts.

So the meeting you are having with Jack Webb and others regarding this is a very important item and your input as such legislation might move so that we avoid mistakes in a policy sense as well would be extremely helpful.

Mr. WITT. I also met with Chairman Mineta last Tuesday and visited with him about some of my concerns. He was very, very interested, as was the staff. Concerns from that meeting and the testimony are the basis for the meeting tomorrow. But the concept is really good.

Mr. STOKES. Would you yield to me for just one question on that point?

I guess just sitting here as an old lawyer and with a mind to take in this particular point. Isn't it conceivable—we are talking about an earthquake similar to the one in 1811—that we may be talking about a disaster that even insurance cannot handle, even in this modern age as opposed to 1811?

Mr. THORNTON. The bridges across the Mississippi River in Memphis would be leveled if it should happen in that area.

Mr. WITT. That is true. Memphis, Tennessee would be leveled.

Mr. LEWIS. The hill upon which my house sits.

Mr. STOKES. I yield back.

Mr. WITT. Mr. Chairman, we also have five major gas pipelines coming from the South to the East Coast. So you can imagine the impact it would have on the East, depending on the time of year, depending on industry and other factors that would add to the cost.

And even, as Congressman Thornton knows, we have really exercised the plans out there. We could have as many as 14,000 fatalities just in Arkansas alone, depending on the time of day it hit.

Mr. STOKES. Right.

EMERGENCY MANAGEMENT ASSISTANCE GRANTS

Mr. THORNTON. It is a very serious problem all over the Nation, and we shouldn't think of it as something that just concerns California, Mr. Chairman. It is a concern for all of us.

We need a policy of the kind that Mr. Witt is advocating, one that protects all of us.

At the risk of being redundant—and I admit that that never happens in a congressional hearing—I asked, earlier in this hearing on the basis of my recollection, about the funding level for the Emergency Management Assistance grants, and you gave a very good response. The committee staff, Mr. Chairman, has referred me to page EM–17 of the justification, showing that FEMA is requesting $70,628,000 for Emergency Management Systems grants, which is exactly—not just close to—but exactly the same level as provided in 1994. You responded to my question, but let me ask it again in the context of this citation. Was this your request to OMB for this program?

Mr. WITT. We requested $78,128,000 from OMB.

Mr. THORNTON. I believe that is the response you gave me earlier. You understood my question, but I wanted to clarify it for the record. I want to thank the committee staff, as well, for giving me the precise citation on the Emergency Management Assistance grants.

I have no further questions, Mr. Chairman.

Mr. STOKES. All right. Thank you.

Mr. Director, I think it might be a good time for us to recess until this afternoon. I understand there is a request that we reconvene at 2:15 this afternoon. If that is agreeable to everyone, we will reconvene at 2:15 this afternoon.

Thank you.

[Recess.]

ISSUES FROM HURRICANE ANDREW

Mr. STOKES. The committee will come to order.

Mr. Witt, we are going to take a Member of Congress out of order here. With your indulgence, a Member who is not a Member of a particular subcommittee may make a request to the Appropriations Committee to appear at that subcommittee and to pose questions to the witnesses.

Ms. Carrie Meek of Florida, as you know, is a well-respected and esteemed Member of the full Appropriations Committee. She has made a request to appear here and to be able to pose some questions to you. We want to grant her request because of the exigent circumstances regarding the disaster that occurred in Florida.

So with your indulgence at this time, I want to recognize our very distinguished Member from Florida, Ms. Carrie Meek. Ms. Meek, you may proceed in any way you would like.

Mrs. MEEK. Thank you, Chairman Stokes. I am very happy with the opportunity that you and this committee have given me to come before you to ask some questions today. And I can address some of the major issues concerning me and the 17th Congressional District of Florida.

I appreciate this time, Mr. Chairman, and I will be as brief as possible. Mr. Witt, it is a pleasure to see you and to talk to you again. Most of the time I talk to you on the telephone, but from one southerner to the other, I think we are in a pretty good climate.

Mr. WITT. I do, too.

Mrs. MEEK. The last time I had a chance to talk to you was in the office of Senator Graham and Senator Mack, and at that time you weren't feeling well but you were responsive and you talked to us about some things on a very candid level. We were able to resolve some problems, and I feel that that is our duty as representatives here in the Congress, to represent the people.

And our main concern at that time was the Homestead Hospital and, of course, you looked at the situation and you assessed it as anyone in your capacity has to do. I am fairly sure that you have taken some heat for doing that. But there is an old adage: If you can't stand the heat, get out the kitchen.

You stood the heat and you did what you had to do and you made some decisions, and I am glad you did because I felt that the presentation that we made to you that day was culled from the best information that we could get. And of course a final decision was left up to you, but I want to thank you and the members of your agency, many of whom I know had to change their views to decide how they would do this.

But that is the way this business is. Sometimes you have to swallow your tongue to do some things for the people and I appreciate that. And I know that it was a very hard decision for you to make and it was hard for you as administrators, but I want to appeal to them to keep that kind of openness and that kind of accessibility so that you can open up to the people when they have these kinds of problems.

I want you to know that I am not here in the Congress to pass relief acts for hospitals; that is not my job. My job here is to get all the relief and help for the people. We went through a very devastating natural disaster there which FEMA knows more about than anybody. I don't know how we would have survived if it were not for FEMA. So I owe you a debt of gratitude.

REVIEW OF THE DAMAGE SURVEY REPORTS

There are some problems, a few that remain, that I need to talk to you about, in a sense of helpfulness. Not in a combative sense but more or less in a sense of advocacy. And these problems rest with the State review of FEMA damage survey reports. And you call them DSRs.

There seems to be some conflict in the way those DSRs are processed. As I understand from the State of Florida, DSRs have to be reviewed by FEMA and by the State before they are finally approved by FEMA. Yet according to the information I received from the State of Florida, 25 percent of the 15,000 DSRs issued by families as a result of Hurricane Andrew had no State review, or they were significantly changed by FEMA after the State review.

It is also my understanding that this practice is still continuing. Just a little over a week ago on the 23rd, the State of Florida received about a dozen DSRs from FEMA that were either not reviewed by the State or were substantially changed by FEMA after the State reviewed them.

The State of Florida tells me, and I hope you will agree, that a lot of appeal problems and disagreements could be resolved if only FEMA and the responsible local agencies get together to reach an agreement before these DSRs are approved. We have had similar problems with other matters like appeals that FEMA regulations say are supposed to be handled within a few months. Instead, they are not decided after several months.

I am sure you can understand the pressure and the fiscal impact this has on a State. It would help the recipients of Federal aid immensely if they could count on FEMA to handle things the way your own rule books say they should be handled. My question is: What are you doing to address these problems?

You understand all of these things, there are several strong dynamics connected with this disaster and I would like to know from you what is FEMA doing to ensure that the agency follows its own regulations? If I can paint this scenario a little bit better, sometimes on the local level things are agreed upon. Then when they get to another level, they are disagreed upon. And then to another level, they are disagreed upon. There seems to be a lack of consistency with the decision-making in FEMA.

Would you respond to that?

Mr. WITT. I would love to.

First, thank you for your support in the decision that I did make on the Homestead Hospital, but let me address it just a little bit. Just recently, we completed the whole reorganization of FEMA. After reorganizing FEMA headquarters, we reorganized the regions as well. So there will be program consistency in the future for exactly what you are talking about.

Also, we are looking at bringing in Federal Coordinating Officers and training them to be in a disaster area in charge of that disaster. Lessons learned from not only Andrew but other disasters that we have had recently show that there is inconsistency in how one Federal Coordinating Officer in one region, runs a disaster operation and how one from another region runs it in another State. So we want to make sure that everybody is consistent.

I am aware of the DSR problem in Florida and I am very concerned about it. As I told you and Senator Graham and Senator Mack, I am sending some people to Florida before I go down so that they can look at all these issues to make sure that they are in order and make sure that the things we can change will be done immediately.

Chuck Stewart is down there from the Response and Recovery Directorate in headquarters. Craig Wingo is going down next week. My Chief of Staff is going down the following week. Then I am going to go down and follow up on many of the critical issues that require a decision. So we are following through, I want to get those resolved just as much as you do and as quickly as possible.

INCONSISTENCIES IN APPROACHES BY REGIONAL STAFF

Mrs. MEEK. Thank you so much. After Hurricane Andrew struck, FEMA sent personnel from the Chicago region to help out the FEMA people in our region. The Chicago region people were a big help. We needed all the help we could get and, thankfully, you responded. But it turns out now, months later, when these reviews are being conducted, the FEMA Florida region staff is questioning the very decisions made by the Chicago region staff—in almost every case to the detriment of the local recipients. You know, who takes the heat from the local recipients—I do. And when I get the heat, I turn up the fire on you because someone has to take the heat and that is the way it is.

Mr. WITT. I understand.

Mrs. MEEK. And they are saying we just don't do it that way in Florida. Would you please look into this problem in Dade County to see if you can bring some order into that discordant note there.

Mr. WITT. That is one of the very reasons that I am having my Chief of Staff going down so soon—and why I am going down to follow up as well. I can assure you that it will be done.

Mr. THORNTON. Would the gentlewoman yield?

Mrs. MEEK. Yes, I will.

Mr. THORNTON. Thank you. I think, just for the record, it might be useful for us to remember that Hurricane Andrew was in the fall of 1992 and that the initial FEMA activities were conducted before Mr. Witt was named to the office which he now holds. It was also before a number of the reforms that he has put in place had been instituted. I personally appreciate Mr. Witt's efforts to retroactively address these issues, yet I would like the record to show that the difficulties that were found at the outset of the Andrew disaster were not his responsibility.

Mrs. MEEK. Yes. I appreciate that insight. You are absolutely right. If I may go ahead, Mr. Chairman.

Mr. STOKES. You certainly may.

Mrs. MEEK. I appreciate your input there. That is true, and I am happy that he is bringing about a quick response to the problems we have there. We appreciate it.

I want to ask a question that can be off the record because the Chairman didn't give me the ability to come in here and question you the way I want to but he told me I could question you. I find——

Mr. STOKES. In other words, nobody gives you anything.

DIVERSITY IN FEMA

Mrs. MEEK. I find very little diversity in FEMA. I wanted to find somebody who looked like me but I couldn't find anybody. I looked all over the place. I felt a little better when I saw a few women, but they were few and far between at FEMA. So I am appealing to you to look into this agency and try to bring some diversity and put some more women and minorities in some of the jobs in FEMA.

You have an agency there that is dominated by a male gender. And I don't have anything against them. I love the male gender, but I want to see more women and more minorities in FEMA.

Could you work with that as chief administrator of this agency?

Mr. WITT. Let me answer that, too. Chairman Stokes and I talked about this several months ago when I first came aboard.

Mr. STOKES. I might say we plan, Mrs. Meek, during the course of the hearings to go into this matter much more extensively with him on the record. This is one of the major concerns of this committee with reference to this agency, and I am pleased that you broached the subject. You can respond to her in any way you would like at this time, but I do plan to ask more questions.

Mrs. MEEK. Thank you.

Mr. WITT. Chairman Stokes and I talked about this several months ago. I was very concerned when we started the reorganization of the agency. With people in civil service positions, it was very difficult to move them up into management or other areas. I found that I had only two females who were in the Senior Executive Service; so it is a serious problem. I have made a lot of comments and a lot of speeches about how we are going to work very, very hard to change the diversity of the agency.

To give an example—in working with the White House, the incoming nominee that is going to be in charge of the Preparedness, Training, and Exercises Directorate is female. The person coming in who is going to be in charge of the U.S. Fire Administration is a minority female. The person who will be in charge of the Federal Insurance Administration is a minority female. So I think we are starting to move forward to make a difference, but we have a long way to go. We really do, and I am very, very concerned about it.

In every region where I have gone to visit, I looked at that as well. To give an example—in Region 3 in Philadelphia, there were only four minorities working in that whole region. I am just as concerned about diversity as you are, and I follow you. It has my full attention.

Mrs. MEEK. Thank you.

Mr. Chairman, I want to thank the Members of FEMA that are here and thanks to you, Mr. Chairman. I appreciate this opportunity and I promised you that I would not abuse it, so I am finished.

Thank you, sir.

Mr. STOKES. Mrs. Meek, we are pleased to have you appear here and, Mr. Witt, if it is of any comfort to you, you are not the only person she turns the heat up on.

Mrs. MEEK. I am sorry.

Mr. LEWIS. Mr. Chairman.

Mr. STOKES. I yield to Mr. Lewis.

Mr. LEWIS. Mr. Chairman, as Mrs. Meek goes out the door, let me say that I can't express my appreciation enough for the gentlelady's being here. She asked a number of questions about the problems we can anticipate in southern California in the months and even the years ahead and I now know from the response to her questions that we are not going to have those problems.

Mr. WITT. I hope we are not.

Mr. LEWIS. So in the meantime, it is great to have you here. We appreciate your work.

Mrs. MEEK. Thank you. Thank you, Mr. Chairman.

Mr. STOKES. You are more than welcome. Any time.

Mrs. MEEK. I appreciate it.

Mr. STOKES. You are welcome to stay if you would like.

Mrs. MEEK. No, sir.

DENIAL OF FEDERAL DISASTER ASSISTANCE

Mr. STOKES. All right. Director Witt, before I get into the regular questions, Mrs. Meek's appearance here this afternoon and the questions that she has raised relative to the hurricane damage in her State raises a question that has been raised with me by several Members of the House. You recall this past year, Cleveland, the city of Euclid, and several other surrounding areas suffered some very violent storm damage. Of course, the governor of our State declared it an emergency and went through the regular process for having the President also declare it an emergency area, and thereby give us the disaster aid that we would be eligible for under the law.

It was a final determination, however, by you and the President, that this did not meet the requirements or requisites under the law for disaster declaration, and we were denied aid.

I find that many other Members, when they see the Federal Government going to the aid of areas such as Los Angeles and areas affected by the various hurricanes—and understandably they have no objection to the Government going to these disaster areas and providing aid—they also know that such damage, like the storm damage in Euclid, is a disaster to their local communities. These communities then face tremendous difficulties coming up with money that they don't have in their budget to try and meet the exigencies of this type of a disaster, and it is very difficult.

Certainly your whole mission is not solely dedicated to major disasters or consideration of other limited disasters, but what can you tell me and other Members who are encountering this type of problem?

Mr. WITT. What we try to do, Mr. Chairman, is to be fair and be consistent in the decisions we make about whether a State is declared a presidential disaster area.

Because my background is in local and State government, it just really bothers me when I have to sign a turn-down or make a recommendation for a turn-down because I know how critical local dollars are, and how hard they are to come by, but in the year that I have been here, I have tried to be very fair and consistent in all the decisions that we make and weigh each disaster request on its individual merits without regard to any other disaster for any other State.

We look at the damages, and we look at the per capita cost, what the damage is worth. Now we look at whether it affects the Nation's Gross Domestic Product. We look at all of that as well as the impact on that local community. I met with the mayor from Euclid and faced it with him.

Mr. STOKES. Yes, you did.

Mr. WITT. We had a very good visit. Not every disaster gets declared because it is not beyond the capability of the State or local government to handle it. It does not have an immediate impact on the health and safety of the citizens of the area. So there are a lot of factors to look at.

But we try to be fair and we try to be consistent since I have been here and that is the only way I know to be. We also have the IG and Dick Krimm, who is responsible for the program, looking at disaster packages to see how we declare disasters to make sure that the procedures we have in place are the fairest procedures and we hope to have something on that soon, too.

Mr. STOKES. Well, I must say that your staff did come out to Cleveland, and went to Euclid, Ohio as well as the other surrounding areas. They spent time with the mayors of these various cities, and were in touch with my congressional office, as did you. I appreciate that. However, it is hard for people who encounter these types of disasters to understand how they are different from Los Angeles, or Florida, or any other place that does receive disaster aid following a disaster.

Mr. WITT. You don't know how hard it is for me to tell a Congressman or Senator that, no, sir, they are not getting aid.

Mr. STOKES. All right.

Mr. WITT. And Congresswoman Meek was absolutely right; the heat gets turned on me then.

FIRE SAFETY CAMPAIGN

Mr. STOKES. I know it does.

All right. We would like to turn to the fire prevention and training program. Under the emergency management planning and assistance portion, FEMA is requesting $24,301,000 in fiscal year 1995, the same level as the 1994 estimate. According to EM–29 of the justification, FEMA will continue to develop and disseminate fire prevention and safety information targeted to vulnerable groups.

I also note in a fire safety leaflet that senior citizens, children, and African-Americans are more likely to be killed in a fire than the rest of a population. Are these three groups targeted in your safety information campaign?

Mr. WITT. Yes, they are.

Mr. STOKES. All right.

Mr. WITT. And the disabled also are targeted.

ARSON RESEARCH AND EDUCATION

Mr. STOKES. According to EM–57, FEMA plans to continue and expand programs in arson research in fiscal year 1995. I have just been informed by committee staff that in Cleveland, for instance, 58 percent of all fires are arson related, and I wonder if you might, in your response to my question, make some reference to that. But I am also asking if you would provide us with an update on arson research and on dissemination of information to prevent this problem.

Mr. WITT. Ed Wall is here now. You want to comment on arson?

Mr. STOKES. Mr. Wall.

Mr. WALL. Good afternoon, sir. I was a little snowed in this morning. That is a price one pays for living in rural Maryland.

Mr. STOKES. That is Cleveland weather you had here in Washington.

Mr. WALL. We only own two snow plows up there.

Arson has been a problem that has remained pretty level as a serious problem in the United States. Overall, about 19 percent of the fires are arson. But in the urban areas, it goes up to 25 percent and in large cities such as your city, Cleveland, or Newark, New Jersey, those rates are much, much higher, accounting for 50 percent of the fires. I would like to say that arson is not a fire service problem as much as it is a social problem. Fire is part of our community. It stems from developers trying to clear urban areas, they find it cheaper to burn than to pull a building down. We find that there is fraud with people who have housing stock that they are anxious to get rid of and, unfortunately, in the larger cities, arson many times is used as a weapon, a weapon of revenge, and it is very difficult to prevent arson.

Behavioral changes are good for fire prevention, but it is very difficult to get those behavioral changes into the arson picture. We have been working very closely with both the FBI and ATF over the years trying to encourage more basic research into the root causes of arson. The three organizations, FEMA/USFA, ATF, and FBI, are completely in agreement that arson research needs to be done to a greater degree than we have been doing it. We have trained an awful lot of arson investigators and that doesn't seem to be turning the key to close arson down.

Mr. WITT. Mr. Chairman. The fires in southern California this past year were arson.

Mr. STOKES. Those were too.

Mr. WITT. Seven hundred and fifty homes were destroyed, and still have a problem from it—from mud slides.

Mr. STOKES. I guess all you can do right now is all you are doing, and that is working with the appropriate law enforcement agencies.

Mr. WALL. Particularly, ATF and the Fire Administration have had a very close affiliation over the years. We have trained their people. They have gone to our schools, and we are in the process now of actually switching instructors by having some of our people instruct in the ATF schools and having ATF people come up and instruct the fire service people.

What Mr. Witt mentioned before about the urban wildland interfacing is an ongoing and very serious problem. FEMA has just become a full voting member on the Urban Wildlands Steering Committee that is chaired by Interior and Agriculture. So we are working not only in the urban environment but we are also working in an urban wildland interface.

PUBLIC AWARENESS AND SMOKE DETECTORS

Mr. STOKES. Okay. In fiscal year 1995, FEMA plans to spend $1.275 million to enhance public awareness on home fire safety, smoke detector installation and maintenance, and residential fire sprinklers.

I guess my question for you has several parts. First, how does FEMA plan to enhance public awareness of fire safety? And second, what do we do in a major urban setting such as Cleveland, Ohio, where recently a poor family in the inner city lost four children due to fire inside a home where they had no smoke detectors? What do we do when we are really dealing with indigence, poverty?

Lastly, is this an area in which your agency can be helpful in some way, where the city itself doesn't have the funds for it? Could we try to provide smoke detectors to save these human lives?

Mr. WITT. I think the Fire Administration has a very, very good public awareness campaign which they are working very hard on with the local communities, and, Ed has also been working with the insurance companies, haven't you, Ed?

Mr. WALL. We have been trying to put together coalitions of local, State and Federal governments and the private sector in order to attack problems such as that. Even the Federal Government doesn't have the resources to supply everyone with smoke detectors, but we found that companies such as All State Insurance and State Farm have been very generous in coming forward on the local level, and assisting with the local coalitions.

In fact, they prefer to do it on a local level, and we have been supplying the fire departments particularly in metropolitan areas with media kits that give them camera ready material that they can add their local Fire Department logo to and put it out in the community.

It would be an almost impossible task for us to print up enough of those sorts of things and distribute them, but by giving the locals the camera ready material, they can do it cheaper on the local level. We have sponsored coalition meetings. We support community-based organizations in most of the large cities. In fact, last year, we brought representatives from those groups to Emmitsburg to give them a pep talk and make sure they were working along the proper lines. Tip O'Neill said, "All politics are local." Fire problems are local, too. It is very difficult to control them even from a State level.

ASSISTANCE FOR CLEVELAND

Mr. STOKES. I would like to ask if we could have your office follow-up with my congressional office regarding this matter so that we can try and effectuate some help to the communities out there.

Mr. WALL. We have had a good relationship with the Cleveland Fire Department. In fact, three years ago, the chief at the time was one of our Harvard graduates. We sent him up to the JFK school of government. I understand the chief has gone on. Now there is an Acting Chief.

But as I spoke to the director the other day, we will be happy to send one of our public education experts out to meet with the Fire Prevention Bureau and stay there for a few days if that will assist them in getting on track, now that they have a new management team in the Fire Department.

Mr. STOKES. I would appreciate your staff working with my office on it because we have had some inquiries by people in the private sector who want to do something, but just cannot afford the cost of trying to put these smoke detectors in every one of these homes. Some way or the other, we have to start thinking of the cost of the lives we are losing, particularly when you hear about children dying up in their homes. So I hope your staff will work with my office.

Mr. WITT. I have had some meetings with insurance companies as well about a partnership to helping us put warning systems in homes for severe weather and other things; so we will continue to work with them on smoke detectors as well.

Mr. STOKES. Okay.

We can move to the next section. Any questions, Mr. Thornton, before we move to the next section?

INSURANCE CONCERNS

Mr. THORNTON. Mr. Chairman, I don't know if it is appropriate to ask, but it is a matter that we alluded to in the questioning in an earlier round, and I would like to pursue it a bit further. It relates to insurance.

Mr. STOKES. Sure. Go right ahead.

Mr. THORNTON. Mr. Witt, I brought up the Arkansas earthquake situation not only to point out that this is a problem that exists in various parts of the Nation but also to raise again the question whether it is possible to have private insurance coverage for all disasters.

I am troubled about the underlying concept that disasters can be adequately covered, because I know enough about human nature to know that people don't think that disasters are going to happen to them. There is a tendency to save the dollars on insurance coverage in the present and to take the risk of a disaster occurring. Then, when the disaster strikes, we find whole communities devastated and unable to make a recovery.

Similarly, in the case of earthquakes, the "big one" would tax the resources of insurance companies to make good.

One final element: I have been pleased with the speed of your agency's response. You get in there and start work immediately, providing shelter and food. That is why, again, I question whether it is a wise policy to take that element of your work away from you.

Your mission is to be a quick response to a disaster and to treat an emergency with an immediate emergency response. I am not sure that all insurance carriers approach a disaster with the same view. They might be more likely to step back and say, "Well, now, we need to have a full showing of this and get three bids before we start rebuilding this facility."

Do you have any comments with regard to my policy concerns on this question?

Mr. WITT. We met with the insurance companies involved with the fires in California, and they worked very closely with us on the fires. But it goes back to the fact that unless premiums are lower and deductibles are lower, people have a tendency not to buy insurance.

Mr. THORNTON. All right.

Mr. WITT. That is a problem. It is a problem across the whole Nation. And you are absolutely correct. People will do without insurance a lot of times, taking the chance that they will get by. For people who live in high-risk areas, it is important that we approach insurance from a way that is nationwide and with an all-hazard-type insurance legislation that would help cut the costs of disasters. It is important that everything is included in that.

Mr. THORNTON. Everything must be included, yes.

Mr. WITT. People need to buy insurance related to the risk they face, and it has to be at a premium that they can afford with a deductible that they can afford. California earthquake insurance deductible is $15- to $20,000.

Mr. STOKES. That is the deductible?

Mr. WITT. Yes.

RESPONSIBILITY FOR DISASTERS

Mr. THORNTON. I just recall—and of course they probably didn't do this in Yell County where Mr. Witt is from—that in Grant County roads and highways were built when the local road overseer warned the able-bodied males to get out and spend a day working on the road with a mule and a shovel. We built some pretty fair roads that way, although they tended to wash away whenever there was a little rain. But, generally speaking, we took care of our own business. In good weather you could get from one place to another.

Then, along came the Federal Government which accepted the obligation of building a superhighway system and providing good transportation all over the country. It does seem to me that there is a proper Federal role in handling disasters of a size and complexity that the private sector or individual effort just can't reach.

This is a rather broad policy question, but do you have a comment on it?

Mr. WITT. State and local emergency managers are the first responders to any disasters. We are there as a resource for them if it is beyond their capability. Then also, each individual has a responsibility as well.

Mr. THORNTON. I agree with this.

Mr. WITT. They do.

Mr. THORNTON. But when it overwhelms the individual?

Mr. WITT. When it is overwhelming and it threatens the health and safety of individuals, then definitely we have a responsibility.

Mr. THORNTON. I just wanted to follow up a little bit on the idea that all of this problem could be handled by insurance. I have serious doubts whether insurance can eliminate the need for Federal involvement in true emergencies.

Mr. WITT. There are a lot of people that have very low incomes in this country. There are a lot of people at the middle income level. But no matter what income range people are in across the Nation, it varies as who has insurance and who doesn't. However, if you own a car, then before you can get a license and tags for that car, you have to have a liability policy.

Mr. THORNTON. Liability.

Mr. WITT. So I think that this is a very important issue. I think it really needs to be looked at very carefully so that it will be not only the responsibility of the State and local governments, but also the individual, rather than having all the responsibility on the taxpayer.

Mr. THORNTON. I thank you very much for that fine response.

Mr. Chairman, that is the only question I had.

WORK YEARS ON BOARD

Mr. STOKES. Thank you, Mr. Thornton.

Let's turn to salaries and expenses. For fiscal year 1995, FEMA is requesting $168,431,000 in this account, an increase of $8,022,000 above a fiscal year 1994 level. Fiscal year 1994, the committee provided a total of $160,409,000 in salaries and expenses.

Currently, how many work years are on-board?

Mr. JOHNSON. Mr. Chairman, the current on-board strength is 2,604.

Mr. STOKES. Will you be able to achieve your current estimate of 2,616 work years for fiscal year 1994?

Mr. JOHNSON. We are currently evaluating our financial situation, Mr. Chairman, and it would appear that we are going to become very, very close to what you are seeing. Right now, we do in fact have a freeze in effect to ensure that we have adequate salary and benefit funds available to pay for our on board staff.

REQUESTED INCREASE IN WORKYEARS

Mr. STOKES. As I noted earlier, the agency is requesting funding for an additional 101 FTE in fiscal year 1995. Given the reductions mandated by the Administration, how is it that FEMA is requesting an increase in funding for additional FTEs in fiscal year 1995?

Mr. WITT. Let me address part of that.

Mr. STOKES. Yes, you can.

Mr. WITT. First, FEMA has always been in a position where it seems as if for the past few years it has had a very difficult time in absorbing a lot of cuts. Last year we took a cut of $5.1 million in S&E. It has been very difficult, and we just absolutely will not be able to fill any vacancies that we have. We do not need to lose vacancies right now.

When we are in a position of having to respond to and recover from Midwest floods, the fires in California, the earthquake in California, Andrew in Florida still, Iniki in Hawaii, and all of those other disasters, and yet still be able to staff future disasters, it is really getting to the point where it is difficult for us to continue program support during the times of disasters.

It concerns me a great deal that our programs will not continue as they should and still be able to respond to a disaster. We just had a disaster package for Florida, Tennessee, Mississippi, Kentucky, and expect one from Virginia, Maryland, and others. If they are all declared and we have to open up a disaster field office in each of these States, with as many people as we have in California, it is going to be difficult for us to continue staffing disaster field offices and continue our program support as well. I will let Gary Johnson give further details on the FTEs.

Mr. STOKES. Sure.

Mr. JOHNSON. Mr. Chairman, I think it is important to maybe reflect on what has transpired along with what James Lee has talked about in terms of our reductions. For fiscal year 1994, our request to Congress was for a work year ceiling of 2,677. That is our authorized work year ceiling for this fiscal year due to the reductions that James Lee made reference to. And when we worked our operating plan that we appreciate your approval of just recently, it resulted in an inability of the agency to fund 101 work years.

In our discussions with the Office of Management and Budget, as we prepared our operating plan, we sought authority and didn't receive that authority to use 40 of those 101 work years to be applied to the disaster supplemental monies that were made available in 1992. So our current situation, Mr. Chairman, is that for fiscal year 1994, we have 61 unfunded work years.

Now, for fiscal year 1995, what we did was take the 101 work years that we were unable to fund as a result of the reductions and we have applied them in this budget request to the priority areas that James Lee mentioned earlier; that is response planning, exercising, and mitigation. If you look at our ceiling which is authorized this year at 2,677 and our requested ceiling of 2,717, the net result of the numbers is an increase of 40 work years, and those 40 work years are to sustain the workyear requirements associated with the disaster supplemental money that is available.

So it is really a 40 workyear increase if you look at it compared to our authorized work ceiling this year of 2,677.

WORKYEARS BY GEOGRAPHIC LOCATION

Mr. STOKES. For the record, we are going to ask you to provide a table showing the workyear levels by program and location for fiscal years 1992, 1993, and 1994. A similar table can be found in last year's hearing record.

Mr. JOHNSON. We would be happy to provide that, Mr. Chairman.

[The information follows:]

FEDERAL EMERGENCY MANAGEMENT AGENCY
WORKYEARS BY GEOGRAPHIC LOCATION
FY 1993 Actuals

Location	Response & Recovery	Preparedness, Training & Exercises	Fire Prevention & Training	Operations Support	Mitigation Programs	Flood Insurance Operations	Regional Program Direction	Executive Direction	Inspector General	TOTAL
Washington, DC............	156	144	0	195	93	60	6	201	38	893
Berryville, VA..................	28	241	0	136	0	0	0	0	0	405
Charlottesville, VA.........	0	0	0	9	0	0	0	0	0	9
Emmitsburg, MD...........	0	37	120	0	1	0	0	12	0	170
Elkridge, MD..................	0	0	0	0	2	0	0	0	0	2
Bluegrass, KY................	4	0	0	0	0	0	0	0	0	4
Forest Park, GA............	1	0	0	0	0	0	0	0	0	1
Palo Pinto, TX...............	3	0	0	0	0	0	0	0	0	3
Colorado Springs, CO...	11	0	0	0	0	0	0	0	0	11
Puerto Rico....................	6	0	0	0	1	0	0	0	2	9
Brussels, Belgium..........	0	3	0	0	0	0	0	0	0	3
Provo, Utah....................	0	1	0	0	0	0	0	0	0	1
Boston, MA....................	22	20	0	2	11	0	9	0	0	64
Maynard, MA.................	35	0	0	5	0	0	0	0	0	40
New York, NY................	21	13	0	2	12	0	9	0	0	57
Philadelphia, PA............	29	12	0	2	12	0	9	0	0	64
Olney, MD......................	0	0	0	8	0	0	0	0	0	8
Atlanta, GA.....................	32	10	0	4	22	0	9	0	10	87
Thomasville, GA............	44	14	0	3	0	0	1	0	0	62
Chicago, IL....................	29	16	0	2	14	0	10	0	0	71
Battle Creek, MI............	0	4	0	5	1	0	0	0	0	10
Denton, TX.....................	83	17	0	6	20	0	10	0	0	136
Kansas City, MO...........	25	17	0	9	9	0	9	0	0	69
Denver, CO....................	66	12	0	11	10	0	10	0	0	109
San Francisco, CA.........	30	16	0	8	14	0	11	0	5	84
Honolulu, HI...................	4	0	0	0	0	0	0	0	0	4
Bothell, WA....................	65	14	0	7	9	0	9	0	0	104
TOTAL............................	694	591	120	414	231	60 *	102	213	55	2,480

* Includes 6 workyears funded from the National Insurance Development Fund

FEDERAL EMERGENCY MANAGEMENT AGENCY
WORKYEARS BY GEOGRAPHIC LOCATION
FY 1994 Current Estimates

Location	Response & Recovery	Preparedness, Training & Exercises	Fire Prevention & Training	Operations Support	Mitigation Programs	Flood Insurance Operations	Regional Program Direction	Executive Direction	Inspector General	TOTAL
Washington, DC............	145	146	0	196	93	60	6	228	53	927
Berryville, VA..................	27	231	0	122	0	0	0	1	0	381
Charlottesville, VA.........	0	0	0	9	0	0	0	0	0	9
Emmitsburg, MD...........	0	41	125	0	1	0	0	12	0	179
Elkridge, MD..................	0	0	0	0	2	0	0	0	0	2
Bluegrass, KY................	4	0	0	0	0	0	0	0	0	4
Forest Park, GA............	1	0	0	0	0	0	0	0	0	1
Palo Pinto, TX...............	3	0	0	0	0	0	0	0	0	3
Colorado Springs, CO...	10	0	0	0	0	0	0	0	0	10
Puerto Rico....................	6	0	0	0	1	0	0	0	2	9
Brussels, Belgium..........	0	3	0	0	0	0	0	0	0	3
Provo, Utah...................	0	1	0	0	0	0	0	0	0	1
Boston, MA....................	20	23	0	2	11	0	11	0	0	67
Maynard, MA.................	35	0	0	5	0	0	0	0	0	40
New York, NY................	20	17	0	3	12	0	10	0	0	62
Philadelphia, PA............	23	12	0	4	12	0	10	0	0	61
Olney, MD......................	0	0	0	17	0	0	0	0	0	17
Atlanta, GA....................	27	11	0	2	23	0	10	0	10	83
Thomasville, GA............	54	14	0	4	0	0	1	0	0	73
Chicago, IL...................	23	18	0	2	14	0	11	0	0	68
Battle Creek, MI............	0	4	0	4	1	0	0	0	0	9
Denton, TX....................	87	19	0	2	20	0	11	0	0	139
Kansas City, MO...........	22	18	0	4	9	0	11	0	0	64
Denver, CO...................	64	13	0	9	10	0	12	0	0	108
San Francisco, CA.........	24	17	0	5	14	0	12	0	5	77
Honolulu, HI..................	5	0	0	0	0	0	0	0	0	5
Bothell, WA...................	65	13	0	7	9	0	10	0	0	104
TOTAL..........................	665	601	125	397	232	60 *	115	241	70	2,506

* Includes 6 workyears funded from the National Insurance Development Fund

FEDERAL EMERGENCY MANAGEMENT AGENCY
WORKYEARS BY GEOGRAPHIC LOCATION
FY 1995 Request

Location	Response & Recovery	Preparedness, Training & Exercises	Fire Prevention & Training	Operations Support	Mitigation Programs	Flood Insurance Operations	Regional Program Direction	Executive Direction	Inspector General	TOTAL
Washington, DC	160	146	0	196	103	60	6	228	53	952
Berryville, VA	27	231	0	122	0	0	0	1	0	381
Charlottesville, VA	0	0	0	9	0	0	0	0	0	9
Emmitsburg, MD	0	41	125	0	1	0	0	12	0	179
Elkridge, MD	0	0	0	0	2	0	0	0	0	2
Bluegrass, KY	4	0	0	0	0	0	0	0	0	4
Forest Park, GA	1	0	0	0	0	0	0	0	0	1
Palo Pinto, TX	3	0	0	0	0	0	0	0	0	3
Colorado Springs, CO	10	0	0	0	0	0	0	0	0	10
Puerto Rico	6	0	0	0	1	0	0	0	2	9
Brussels, Belgium	0	3	0	0	0	0	0	0	0	3
Provo, Utah	0	1	0	0	0	0	0	0	0	1
Boston, MA	21	28	0	2	12	0	11	0	0	74
Maynard, MA	35	0	0	5	0	0	0	0	0	40
New York, NY	21	22	0	3	13	0	10	0	0	69
Philadelphia, PA	24	17	0	4	13	0	10	0	0	68
Olney, MD	0	0	0	17	0	0	0	0	0	17
Atlanta, GA	28	16	0	2	26	0	10	0	10	92
Thomasville, GA	54	14	0	4	0	0	1	0	0	73
Chicago, IL	24	23	0	2	16	0	11	0	0	76
Battle Creek, MI	0	4	0	4	1	0	0	0	0	9
Denton, TX	88	24	0	2	23	0	11	0	0	148
Kansas City, MO	23	23	0	4	12	0	11	0	0	73
Denver, CO	65	18	0	9	10	0	12	0	0	114
San Francisco, CA	25	22	0	5	16	0	12	0	5	85
Honolulu, HI	5	0	0	0	0	0	0	0	0	5
Bothell, WA	66	18	0	7	9	0	10	0	0	110
TOTAL	690	651	125	397	258	60 *	115	241	70	2,607

* Includes 6 workyears funded from the National Insurance Development Fund

LOCALITY PAY AND COST OF LIVING INCREASE

Mr. STOKES. As I stated earlier, FEMA is requesting an increase of $8,022,000 for salaries in fiscal year 1995.

Does this number assume the additional costs of locality pay for fiscal year 1995?

Mr. JOHNSON. Mr. Chairman, it does not. At the time that we formulated this budget, we were unaware of the guidelines associated with locality and cost of living increases. Those amounts for operating programs would be $2.6 million. Including estimates associated with other programs like the Inspector General, the National Flood Insurance Fund, and the National Insurance Development Fund would increase the total to $2.924 million. That is not included in our budget request to you, sir.

Mr. STOKES. In the event that the agency had to absorb these particular costs, would you be able to do so?

Mr. WITT. It would be difficult.

Mr. JOHNSON. It would be extremely difficult to do so, sir.

Mr. STOKES. Does the request assume the additional costs of a COLA for the fiscal year 1995?

Mr. JOHNSON. No, it does not, and Mr. Chairman, that is included in the figures that I just mentioned.

LOCALITY PAY IN 1994

Mr. STOKES. What is the current estimate for locality pay in fiscal year 1994?

Mr. JOHNSON. For fiscal year 1994, it is about $3 million.

Mr. STOKES. Does FEMA have sufficient funds to cover these costs?

Mr. JOHNSON. Yes.

Mr. STOKES. Out of the 101 additional FTE for fiscal year 1995, 50 are projected for the preparedness, training, and exercises activity. What are these extra FTE for?

Mr. JOHNSON. Out of the 50 work years, Mr. Chairman, 35 of those particular work years are associated with out comprehensive exercising initiative, 20 of the work years in the preparedness, training, and exercise area are associated with our hazardous materials initiative, and a reduction of 5 workyears results from the transfer to HUD of the Emergency Food and Shelter program.

Mr. STOKES. The other 51 FTEs are split between response and recovery and the mitigation functions. What specific activities will be assigned to these FTEs?

Mr. JOHNSON. For our response and recovery area, 25 workyears are going to be dedicated to the Federal response planning initiative that James Lee mentioned earlier. Fifteen of those workyears will be in headquarters and 10 of them will be out in the field working out our standard operating procedures and integration of our planning with State and local governments. The remaining 26 will be working on the mitigation initiatives.

STAFF INCREASES IN EXECUTIVE DIRECTION

Mr. STOKES. I note on page S–26 that within the Executive Direction function, the Office of the Director is increased by four FTE, the Office of Congressional and Government Affairs increased by five FTE in 1993 to 1994.

What were these additional FTE for?

Mr. WITT. Mr. Chairman, Congressional Affairs only has five people in that office at the present time. To be able to handle all of the congressional inquires we have, not only on day-to-day functions but also from all of the committees that we have to work with, as well as all of the congressional inquiries that we have from all of the disasters that we have worked with, we really need to pay some attention to that office so we can respond to Congress more quickly than we have in the past.

RESPONSIBILITIES OF EQUAL RIGHTS OFFICE

Mr. STOKES. All right. Earlier this afternoon when Mrs. Meek was here and raised a question here about diversity, I indicated that we have some additional questions for you regarding diversity.

The Office of Equal Rights was elevated under the reorganization. Can you give us some background on the primary responsibilities of this office?

Mr. WITT. We want to develop a very good comprehensive strategy for the agency through this Equal Rights Office. The reason that it was elevated to being under the Director's Office was that I wanted to give it more attention than it has had in the past.

It is very important that we get some programs in place to do training to move minorities and women up into management in the programs.

Mr. STOKES. For the record, I am going to ask you to provide us with a breakdown of women and minorities in FEMA, by office and grade. And we are going to ask that you also provide a description of the activities now underway to increase the number of women and minorities at this agency.

Mr. WITT. Be happy to, Mr. Chairman.

[The information follows:]

FEDERAL EMERGENCY MANAGEMENT AGENCY
WOMEN AND MINORITY STATISTICS
DATA AS OF 2-19-94

ORGANIZATION	TOTAL	FEMALES	MINORITIES	GRADES 1/8			GRADES 9/12			GRADES 13/15			SES/EX		
				TOTAL	FEMALES	MINORITIES	TOTAL	FEMALES	MINORITIES	TOTAL	FEMALES	MINORITIES	TOTAL	FEMALES	MINORITIES
FEMA	2,767	1,121	632	655	469	273	1,050	410	232	795	192	112	40	4	3
DIRECTOR/STAFF	309	175	134	88	68	67	72	44	38	126	50	27	10	1	0
MITIGATION	102	48	29	18	12	11	28	20	12	51	16	6	2	0	0
PTE	447	163	55	115	56	22	88	47	17	118	37	12	6	0	0
RESPONSE	444	102	64	38	28	17	231	51	35	121	19	12	7	1	0
FIA	62	35	31	14	8	11	15	13	9	32	10	11	1	0	0
FIRE	113	58	3	37	34	1	39	19	1	35	5	1	1	0	0
OPS SUPPORT	379	141	94	93	61	33	115	47	31	124	30	23	7	1	1
REGIONS	911	399	222	252	202	111	462	169	89	188	25	20	6	1	2

ACTIONS TO INCREASE REPRESENTATION OF WOMEN AND MINORITIES IN FEMA

We are developing a comprehensive Agency-wide strategy for improving employment and advancement for minorities, women, and persons with disabilities. This strategy includes marketing the Equal Rights Program to employees and managers through development of agency policy statements and emphasis on responsibility and accountability to achieve results. We will require EEO training for all managers and supervisors and diversity and sensitivity awareness training for all employees. It also includes developing a tracking system for recruitment/placement actions and conducting targeted recruitment to ensure a larger pool of women and minority applicants. Additionally, we will accelerate and streamline the process to resolve all overdue discrimination complaints and promptly handle new complaints.

DIVERSITY AS A PRIORITY

Mr. STOKES. Let me just say that under the current Administration, I think the President has made it very clear that diversity is an item that has very high priority. In his selection of individuals throughout the Administration, he has demonstrated his commitment to it. I would think that any agency of the Federal Government under this Administration that does not match the President's efforts in that regard, is going to be embarrassed.

I have no doubt that you are committed as a part of this Administration to making this President look good in terms of what is only right, fair, and equitable as Americans utilizing taxpayer funds. It is too bad this agency has not in the past, done what it should have in terms of encouraging work force diversity. At least now that you are there and you are working under a President that is committed to it, we are certainly going to expect some real meaningful changes at this agency.

Mr. WITT. Mr. Chairman, based on our visits about this in the past months, I think you know that I am committed to making a difference in this area. When the President was governor and I was a State director in Arkansas, he was as committed then at the State level as he is now. Diversity has to increase. Minorities have to come in. I can assure you it has my attention.

DIVERSITY IN THE EXECUTIVE FIRE OFFICER'S PROGRAM

Mr. STOKES. I certainly accept your word, Mr. Witt, and your commitment to it. We look forward to seeing progress made in this area.

In the fiscal year 1994 house report, the committee directed FEMA to provide a report on the National Fire Academy's initiative to promote cultural diversity in the Executive Fire Officer's program. We have received that report and we appreciate it.

Can you give us a brief summary of the findings of that report?

Mr. WITT. Mr. Chairman, I have not had a chance to read that report, but I would ask Ed if he would like to comment.

Mr. STOKES. Sure, why don't we do that. I understand you have had a few other things to do this year. Do you want to respond to that for us?

Mr. WALL. Yes, Mr. Chairman. At the direction of the language in last year's bill, we called together a group of about 25 to 30 fire service people from across the country—women, minorities, from large cities and also from county fire departments—and had a three-day working session at the National Fire Academy in Emmitsburg.

We, USFA, did not set an agenda. We let the working group set the agenda. And we brought in some counselors from the academic area to work with the groups. As a result of those three days, the group came up with a report that we made the basis for our report back to the House and back to the Senate.

Before we sent that report into the House and Senate, we circulated back to a steering committee from the working group that we had in Emmitsburg so that to assure ourselves that we accurately captured not only the words of what they were saying to us, but also the tone and the tenor of what they wanted. And actually it was a very good exercise for us, because it brought together officers who were women and minorities.

When I came out of the fire service in 1980, if there were three women in a large city fire department, it was a lot. Today, among the representative group we had in Emmitsburg, three of the women were working at the rank of assistant chief in large fire departments in the country. We also brought together some of our ranking minority officers.

In the report that we submitted to the committee, we have laid alongside of their recommendations, our plan of how we are going to achieve them. I am very happy to say that in probably over half of the recommendations we made, we have already had material under way to implement them.

Statistically, the program doesn't look too bad. In the fire service population that we are dealing with, about 6 percent of the population is minority and 1.9 percent female. The Executive Fire Officer program roles show we have 8 percent minority and almost 2 percent female. But we didn't set that as our goal.

We said, that is nice; at least we were falling within the proverbial ball park, but we are going to actively recruit in both areas to increase that number until we feel that it is a satisfactory number for us.

PROGRAM REQUIRING AUTHORIZING LEGISLATION

Mr. STOKES. The Federal Emergency Management Agency is requesting funding in 1995 for a number of programs requiring authorizing legislation. I would appreciate you providing for the record, a list of programs requiring authorizing legislation in 1995, along with the dollar amounts.

[The information follows:]

PROGRAMS REQUIRING AUTHORIZING LEGISLATION

[In thousands of dollars]

Authority	1995 request—		
	S&E	EMPA	Total
Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251, et seq	21,714	118,694	140,408
Earthquake Hazards Reduction Act of 1977, as amended, 42 U.S.C. 7701, et seq [1]	4,571	20,430	25,001
Federal Fire Prevention & Control Act of 1974, 15 U.S.C. 2201, et seq	7,189	24,301	31,490
Total, programs requiring authorizing legislation	33,474	163,425	196,899

[1] Currently pending before Senate Committee on Environment and Public Works.

TRANSFER OF EMERGENCY FOOD AND SHELTER PROGRAM

Mr. STOKES. I want to turn to the Emergency Food and Shelter Program. For fiscal year 1995, FEMA has not requested funding for this program because the Administration is proposing to transfer it to the Department of Housing and Urban Development.

We received numerous letters expressing concern and dismay over transfer of this program. I understand that most local organizations believe that FEMA has done a superb job in overseeing this program, and that it would be a mistake to transfer it to HUD.

Can you comment on this transfer? In fact, the heat has been turned up a bit.

Mr. WITT. Mr. Chairman, Dennis Kwiatkowski has headed this program for some time and has done a very fine job with it. There is very little administrative cost charged by FEMA to this program; about 3 percent. Only five people work in this program which distributes money across this country to support food and shelter programs.

The program has been operated at a very minimum cost and has been very successful. The Administration wants to consolidate the homeless programs under HUD's shelter program. But it has operated very well at FEMA.

REGULATORY SAVINGS IN DISASTER RELIEF PROGRAM

Mr. STOKES. Let's turn to the disaster relief program. For fiscal year 1995, the Administration is requesting $320 million for this fund, an increase of $28 million above the 1994 request. For fiscal year 1993, the total request for disaster relief was $320 million, which included $28 million in regulatory savings.

Are there any similar assumptions built into the fiscal year 1995 disaster relief request?

Mr. KRIMM. Sir, we are trying to cut down on cost as much as we can in administering the disaster program, but the previous savings that were realized were the result of regulatory changes that were put into force by OMB. Those regulations have caused us some problems in administering the program. So there are no specific savings in fiscal year 1995 as were previously considered.

Mr. STOKES. Have these regulations been put into effect?

Mr. KRIMM. Yes, sir, they were. They were the regulations on the work force account and some other regulations. Administering them has caused some problems with communities. I think Congressman Torres was mentioning that this morning when he was talking about the cost to the City of Los Angeles of using their employees for disaster response and recovery.

Mr. STOKES. Have any savings been realized?

Mr. KRIMM. It is almost too early to tell. The first disaster we had since these regulations went into effect was the fires in California. Since that time, we have decided to reimburse Los Angeles for the use of city employees for debris removal because they can actually do debris removal cheaper than we can going out and contracting elsewhere.

However, we do look for savings all the time in the disaster program, but those particular regulations have actually turned out to be more of a hindrance than a help, to be very blunt about it.

HISTORICAL AVERAGES AS BASIS FOR DISASTER RELIEF ESTIMATE

Mr. STOKES. Okay. In the past, the request for the disaster relief fund has been based on historical average. Besides the 1992 dire emergency supplemental appropriations bill, on what is this number based?

Mr. WITT. It has been based on the 10-year average.

UNOBLIGATED BALANCE FOR DISASTERS

Mr. STOKES. Do you have any estimate of what the unobligated balance to be carried forward will be?

Mr. JOHNSON. We have a current unobligated balance available in the fund, Mr. Chairman, of $5,875,146,000.

STRENGTHENING DISASTER ASSISTANCE ACCOUNTABILITY

Mr. STOKES. According to page DR–8, efforts have been made to strengthen disaster assistance accountability. How has this disaster accountability been improved?

Mr. WITT. Dick, do you want to answer that?

Mr. KRIMM. Yes, certainly. We have used for example, automated construction estimation system when we go out and look at damage to buildings. This new system which the Director discussed this morning, the palm pad, has given us a better opportunity for getting more accurate home repair costs and then also cross-checking to make sure that the inspections are completed. And that has really been very helpful.

We are also closely monitoring the funds that we give to the States. For example, in the California disasters, the Director asked the Inspector General's Office to come out immediately to start monitoring expenses and the disbursement of funds. We also are watching quite closely how the funds are spent.

We have initiated a number of cost saving measures which I think, after a year or two, will prove to be very effective. We are also reviewing all of our regulations and the Stafford Act for possible amendments which will lead to cost savings on the program.

In addition, as Director Witt said earlier, we are reviewing the method in which we recommend disaster declarations, and we are going to try to establish parameters so that we can have a solid base for recommending to the President whether or not a disaster should be declared.

ADDITIONAL COSTS FOR HAZARD MITIGATION

Mr. STOKES. On page DR–11, the justification states that the projected obligations for the Midwest disasters have been primarily due to the passage of the Hazard Mitigation and Relocation Act of 1993, which increased the resources available for hazard mitigation. How much do you project these broadened eligibilities will cost in fiscal year 1994?

Mr. WITT. Do you have a dollar figure?

Mr. VOLLAND. We estimate that based on the amended formula, sir, we will have about $232 million available in 1994 as a result.

Mr. STOKES. Do you have any estimates on the increase in out-year expenditures due to these provisions?

Mr. VOLLAND. No, sir, because it is a formula driven amount that is based on the amount of public and individual assistance in each disaster. We just have not made that calculation.

COMMUNITY DISASTER LOAN PROGRAM

Mr. STOKES. For fiscal year 1995, FEMA is requesting $25 million for the Direct Assistance Direct Loan Program account. According to your justification, this limitation is for the State's Share Loan Program, rather than the Community Disaster Loan Program.

Can you tell us why no loan limitation has been requested for the Community Disaster Loan Program?

Mr. KRIMM. Yes, sir. Under the Credit Reform Act, we would incur a subsidy of 50 percent. So for example, for loan authority of $80 million, we would have to take about $40 million out of our other programs to provide for community disaster loans. And we didn't feel that we could justify that expenditure along with everything else that we have right now.

Mr. STOKES. Then the $25 million that you are requesting is a sufficient amount?

Mr. KRIMM. That is sufficient for the state share loans. It is not sufficient for the Community Disaster Loan Program. Yes, sir.

FLOOD INSURANCE CLAIMS FOR ANDREW AND THE MIDWEST

Mr. STOKES. Let's turn to the National Flood Insurance Program. FEMA proposes transfer reimbursements of $14,359,000 to the S&E account for administrative expenses and $48,092,000 to the Emergency Management Planning and Assistance account for floodplain management activities from the National Flood Insurance Program in fiscal year 1995.

With both Hurricane Andrew and the Midwest floods, the National Flood Insurance Fund has probably experienced a lot of activity recently. What was the number of claims made after each of these disasters?

Mr. COLLINS. For Hurricane Andrew, 11,301 claims were made, but we only paid 5,316. Many of the reported losses were wind losses. You asked also about the Midwest flooding? We had 11,693 claims made, and we have paid 9,279, for a total of $238,374,253 in the Midwest floods thus far. We are almost finished up there. In Andrew, we paid about $161 million to policyholders.

EXTENT OF FLOOD INSURANCE COVERAGE

Mr. STOKES. Can you give us some estimate of the number of persons or families that should have flood insurance, that do not have it?

Mr. COLLINS. Yes, sir. There have been a number of studies and there are a number of estimates out there. Some is anecdotal, much of it is analysis. Here is what we believe. Just looking at households in special flood hazard areas—in our book of business of 2.7 million policies in force, about 2 million of those are in special flood hazard areas. Also, based on information from mortgage bankers people, we believe there are 4 million households out there in special flood hazard areas with mortgages who do not carry flood insurance.

Mr. STOKES. Four million?

Mr. COLLINS. Yes, sir. And that number may be bumped up by people who don't have mortgages, generational homes where the mortgage is paid off, but they are still out there. So there may be another 6 or 7 million people out there in special flood hazard areas in addition to the 2 million we insure, who are uninsured. We feel we probably have market penetration—and this is an elusive percentage to get—of somewhere between 25 to 30 percent. Probably on the lower side.

INCREASE IN POLICIES SINCE THE MIDWEST FLOODS

Mr. STOKES. Now let me ask you this. Since the occurrence of the Midwest floods, have we seen an increase in persons or families purchasing flood insurance?

Mr. COLLINS. Yes, we have.

Mr. STOKES. Substantial?

Mr. COLLINS. Yes, sir. We analyzed the policy in force base as of May, and then again at the end of the year. And it rose by 35.5 percent.

Mr. STOKES. Substantial increase.

Mr. COLLINS. That was a significant increase. But unfortunately, I should caution you, probably the folks that really need it most bought it, but that is what the insurance is for.

Mr. STOKES. That is right. After the Midwest floods, did FEMA consider developing any new mitigation strategies?

Mr. WITT. Yes, sir, we have.

REQUESTED INCREASE FOR INTEREST ON TREASURY BORROWING

Mr. STOKES. According to FI–1, FEMA is requesting that the level for interest on Treasury borrowings as available from the fund without prior notification of the Committee, be raised from $3.5 million to $12 million. Tell us why FEMA is requesting that increase.

Mr. COLLINS. I am sorry, sir?

Mr. STOKES. Let me repeat it. According to FI–1 in your justification, FEMA is requesting that the level for interest on Treasury borrowings that is available from the fund without prior notification of the Committee, be raised from $3.5 million to $12 million. And the question is, why is FEMA requesting this increase?

Mr. COLLINS. I think it is more in the nature of a notification. We already gave written notification to the Chairman of all our committees that in December of 1993, we finally ran out of cash for the flood insurance program. Due largely not just to the Midwest floods, but during fiscal year 1992 and fiscal year 1993 combined, we have incurred about $1.5 billion in loss adjustment expenses.

I am talking about the Halloween storm of 1991, through Andrew and Iniki, the great storm in March of 1993, and that northeaster up in the northeast on December 9 and 10 of 1992, and then finally the Midwest floods.

Mr. Chairman, this is unprecedented in the program's history. It probably represents somewhere around 25 percent of all the money we have ever paid out in 25 years, all happening in two years. We finally ran dry in December when we paid our losses to those folks in the Midwest, and we had to use borrowing authority from the Treasury.

What the Treasury did was set up a loan of $100 million against which we could draw. We drew slightly over $11 million in December to pay those losses. The balance at the end of January showed that we had increased premium income over losses by $20 million, so the loan, the drawdown, is effectively paid back and we now have $109 million of cash balance, of which $100 million is the loan.

The way it works is that we pay interest of 4.8 percent on the loan, and the Treasury credits the interest it earns on the undisbursed money in that loan to our account. So we are hoping with $60 million in premium income coming in a month, we might get a wash on the interest and we should hopefully stay in the black. We are worried about the Midwest flooding, of course.

ACTUARIAL ADJUSTMENTS

Mr. STOKES. Sure. According to FI–7 in the justification, a general rate increase of 5 percent will be put into effect in 1994 due to actuarial adjustments and changes to compensate for inflation. What kind of actuarial adjustments would be made?

Mr. COLLINS. We are making a rate increase of 5 cents per $100 of coverage on our subsidized business, for subsidized business is the big drain on our fund and it really accounts for the deficit. Forty-one percent of our policies are subsidized. Fifty-nine percent of them are actuarial.

We are having a general rate increase on all of our classes of business, which will involve some actuarial rate increase, to reflect things like increased cost of construction. We learned a lot about that the last two years, and we need to get a little more premiums to take care of those losses.

WORK YEARS IN THE IG'S OFFICE

Mr. STOKES. We turn now to our last section, which is the Inspector General section. An appropriation of $4.5 million is requested for the Inspector General's Office in fiscal year 1995. This is an increase of $150,000 above the 1994 level. The justification states that for fiscal year 1994, 70 work years are allotted to this office. Currently how many on-boards do you have?

Mr. PARTRIDGE. We have 57.

Mr. STOKES. Okay. How many work years do you anticipate having on board by the end of the fiscal year?

Mr. PARTRIDGE. No more than 58. Just as FEMA has unfunded positions, we have approximately 12 unfunded positions. There is no way, given the commitments that we have, that we will be able to expand. We have just been informed that we will have to pay for the audits conducted by the Defense Contract Audit Agency, in which case we may actually have to cut three positions. In the case of 1995, if we are able to get permissive transfer from the programs which had expected to pay for those audits, we may have to hold our staffing level at something like 55. We are not undergoing an expansion.

LOCALITY PAY AND COLA'S IN IG REQUEST

Mr. STOKES. Are locality pay and COLAs for fiscal year 1995 assumed in your request?

Mr. PARTRIDGE. No.

NUMBERS OF AUDITS

Mr. STOKES. For a number of years now at the hearings, we have been discussing a large number of auditable activities and the fact that only a fraction of these have been audited. Has this number changed?

Mr. PARTRIDGE. We are concentrating on high priority audits and investigations. In fact, we are doing fewer audits of what you might call the whole population of auditable activities. We are having to do that since we suffered a severe cutback in budget. But by concentrating on the high priority projects, we feel that we have been able to make a major contribution.

INVESTIGATIVE BACKLOG

Mr. STOKES. We also continue to discuss with you the large investigative backlog. Has the backlog been reduced somewhat?

Mr. PARTRIDGE. It has been reduced approximately 10 percent. Again, because of the number of major disasters that we have had, we have had an increase associated with those disasters. And we are having to be very selective in our investigations, just as we are in our audits.

EMPHASIS ON DISASTER CLOSE OUTS

Mr. STOKES. According to IG–6, significant resources will be assigned to evaluating FEMA's process for closing out long-standing open disasters and response to future disasters.

Why have you chosen to emphasize this area?

Mr. PARTRIDGE. We have discovered that there are disasters that are remaining open even in excess of 10 years. There are obligated balances of funds that should be to obligate, and we in effect are working hand in hand with management on this to close out all of those old disasters. Sometimes there would be just one bill that is still contested or something like that. So it is a process of cleaning up the books.

Mr. STOKES. Thank you.

Mr. Lewis, I yield to you.

Mr. LEWIS. Thank you, Mr. Chairman.

Mr. Director, I want to apologize for having to leave. The Chairman knows that this is my number one responsibility around here, but today we have the Marine Corps before the Defense Subcommittee and the Commandant there is doing some things that affect my district and Mr. Strokes told me I should take care of my district.

Mr. STOKES. All politics is local.

AFFIRMATIVE ACTION AT FEMA

Mr. LEWIS. That is right. But above and beyond that, it also happens to be the time that the intelligence committee is in the midst of this other very big issue as you know, and so I hope you will not take my absence for a while here as not lack of interest, but rather pressing circumstances causing me to be away.

I wanted to be here especially for the questions that were going to be a part of our schedule that relate essentially to a category you described as affirmative action. Ms. Meek raised some of those questions earlier. I know the Chairman had some questions.

I want you to know that is a very high priority of mine as well. These questions don't relate to who is the Chairman or the Ranking Member on our committee. And I know—I heard your responses earlier to Ms. Meek and I am sure they were reflected in the rest of your discussion, but for the record, I want you to know that this Member feels just as strongly about that as well.

Mr. WITT. In California, particularly in the fires and the Northridge earthquake, what we have done to make a difference and to keep from having issues like in Hurricane Andrew and issues like at Loma Prieta that have not been resolved very quickly is to sign an MOU with at the State Office of Emergency Services in California so that we can expedite these damage survey reports and mitigation projects and not have these issues facing us long term like that.

PROPOSED FLOOD INSURANCE RELATED LEGISLATION

Mr. LEWIS. I was going to raise a question relative to flood zones today. That too was a largely district matter and unfortunately just in recent days that problem in Needles has been resolved. I do appreciate the responsiveness of your office, however. I want you to know that I am cognizant of that exchange and do appreciate your agency's effort.

As you know, two bills have been introduced in the House that involve improvements of the National Flood Insurance Program. And I have read your statements for the record regarding H.R. 3191 and, frankly, tend to almost entirely concur, if not entirely. I haven't read that bill enough to be able to say that.

But in the meantime, I am curious to know whether or not you have had a chance to review another measure in the same subject area that has been introduced by Congressman Bacchus of Florida, along with Congressman Baker of Louisiana, and if you have taken a position on that legislation.

Mr. WITT. I have not had a chance to review those two pieces of legislation yet.

Mr. LEWIS. It is a single piece, they are going together.

Mr. WITT. I have not reviewed it, no, sir.

REQUESTED INCREASES IN SALARIES AND EXPENSES

Mr. LEWIS. Okay. Well, I would appreciate your input regarding those items for their interest and those of us who care about problems of flooding around the country. I appreciate the Chairman's flexibility with my crazy schedule today. But FEMA is requesting an increase in areas of salaries and expenses. It is requesting an increase of $8.022 million for fiscal year 1995 for salaries and expenses, at the same time the administration has mandated agencies to reduce their administrative costs. Tell me a little about that, how are you handling that?

Mr. WITT. Well, I bet there is a lot that won't get done. As I was telling the Chairman a few minutes ago, FEMA has taken a lot of cuts over the past few years. But with the reorganization that we have put in place and with the constant and rapid response to disasters that is required, it is very critical that we have the FTEs to follow through with our programs as well with the disaster response. Unless we can staff the Agency to the level that it should be, it is very difficult.

We have a lot of burnout, a lot of stress. People work a lot of long hours, as they have in disaster response in California, as well as at headquarters. If we are going to be effective and efficient, then this is the level where we need to be. And I am concerned about this.

Mr. LEWIS. Okay. We will be discussing that further in the weeks ahead. Looking back on FEMA's response, their effort relative to Hurricane Andrew, GAO cited an account problem with FEMA's inability to accurately track costs of disasters. Has FEMA started to identify unpaid costs?

Maybe the Chairman touched on this and I missed it. But have they started to identify unpaid costs from disasters in previous years? And what are the unfunded requirements from prior years disaster declarations?

I am really asking this because as I was with Mrs. Meek, trying to measure what kinds of things should be flash points for us as we look at this series of disasters in California.

Mr. WITT. We are looking at that. We are looking at how much we have obligated and how much we have to obligate, so we can get a realistic dollar figure. The IG is looking at this as well. Also we are looking at the disaster declaration process as well. We are doing that in a joint IG and program management study, basically.

The program was going to do one, the IG was going to do one, so I pulled them both up. I said let's do one together with IG and management and save $20,000. So that is what we are doing. We are looking at that and I hope that we got a very realistic dollar figure. I feel good about it.

Mr. LEWIS. So we will wait with expectant interest. Thank you very much for your appearance today. You and your staff have been responsive to our committee over the years. We do appreciate the work you are about.

Mr. WITT. We appreciate your support.

Mr. LEWIS. Thank you.

CLOSING

Mr. STOKES. Director Witt, we have had a good hearing today. We appreciate the responses that you and your associates have given us, and we look forward to continuing to work with you and the members.

Mr. WITT. My pleasure. Thank you.

Mr. STOKES. Thank you. We are adjourned.

[Questions and answers for the record and the justifications follow:]

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

Question: In January, California experienced an earthquake in Northridge. What will be the cost of the waiver to the Federal Government? Was this cost included in the total cost estimated for the earthquake? At the time of the hearing, no estimates were available on the total dollar figure associated with mitigation costs under section 404 -- has FEMA been able to determine these costs?

Answer: Due to the size and magnitude of the Northridge Earthquake disaster, the President granted an adjustment in the Federal/non-Federal cost share for Infrastructure Grants (Public Assistance) from 75/25 to 90/10. Based on current cost projections, the cost to the Federal Government of this cost share adjustment will be $507 million.

The direct cost of changing the Federal Public Assistance cost share from 75% to 90% is $441 million. In addition, because FEMA's Hazard Mitigation funding ceiling is set at 15% of total projected Infrastructure and Human Services spending, the increased Infrastructure cost results in $66 million in additional Hazard Mitigation funding ceiling. Since it is anticipated that all of the Hazard Mitigation Funding ceiling will be used, the total additional cost of the cost share adjustment is $441 million, plus $66 million, or $507 million.

Following is a chart which shows the current cost projections for the Northridge Earthquake, and shows what the projections would have been with a 75%/25% Federal/non-Federal cost share:

NORTHRIDGE COST PROJECTIONS
COMPARISON OF COST WITH and WITHOUT COST SHARE ADJUSTMENT
In Millions of Dollars

FEMA Programs	Present Cost Projections	Cost Projections Without Adjustment	Difference
Human Services	$1,310	$1,310	$0
Infrastructure	2,698	2,257	441
Hazard Mitigation	601	535	66
Administration	181	181	0
TOTAL	**4,790**	**4,283**	**507**

The additional costs of granting the cost share adjustment were included in the total cost estimates provided to the House of Representatives for use in considering the supplemental appropriation for the Northridge earthquake.

With regards to the estimated costs of the Section 404 Mitigation Program, FEMA estimates that California will use all the Hazard Mitigation funds available. The current projected ceiling for FEMA hazard mitigation funds in the Northridge earthquake is $601 million (Adding the 25% non-Federal funding cost share of $200 million, this means that the total Hazard Mitigation budget projection -- Federal and non-Federal -- for the Northridge earthquake is $800 million).

Question: Please provide background and the final language agreed to for the implementation of the provision carried in the Emergency Supplemental Appropriations bill concerning disaster assistance benefits for individuals not lawfully in the United States.

Answer: Senior officers of the Federal Emergency Management Agency (FEMA) and other affected agencies held meetings with the Office of Management and Budget, the Immigration and Naturalization Service, legal aid groups, and Members of Congress to refine the procedure for implementing the provisions of Section 403 of Public Law 103-211.

In order to implement the provisions consistent with Congressional intent and in keeping with the needs in Los Angeles in a post-earthquake environment, FEMA established the following process: All applicants seeking additional housing assistance beyond 90 days must present a form of identification and execute a declaration. The declaration states that the applicant is lawfully in the United States. The declaration materials inform applicants: (1) of the penalties for false statements and (2) that the declaration may be shared with the INS for purposes of audit. FEMA, with assistance from the INS, intends to audit the declaration process, to minimize the potential for misrepresentations or fraud. If it is determined that an audited applicant has provided false information or documentation, then the Agency will take reasonable steps to pursue criminal or civil remedies.

The following language was agreed to for implementation of Section 403:

Implementation of the Prohibition Against the Receipt of Benefits by Individuals Not Lawfully Within the United States

All applicants requesting FEMA Disaster Housing Assistance (including Mortgage and Rental Assistance) beyond an initial 90 day period will be required to complete the attached declaration and provide identification before additional temporary housing assistance can be provided. Accordingly, all applicants requesting additional Disaster Housing Assistance must visit an Earthquake Service Center or Disaster Application Center.

Declaration

The completion of the declaration is required for those applicants seeking additional FEMA Disaster Housing Assistance. Presentation of the executed declaration is sufficient to indicate lawful status in this country. Applicants for other disaster assistance programs need not declare citizenship or immigration status. With respect to programs administered by other Federal agencies, applicants should seek information and guidance directly from those agencies.

Identification

In addition, all applicants must provide a form of identification. Examples of forms of identification would include, but are not limited to, drivers license, student identification card, employer identification card, health insurance card, or other acceptable document that confirms one's identity.

Nondiscrimination

Under no circumstances may FEMA or any of its employees or agents discriminate against any individual applying for assistance on the basis of race, color, creed, handicap, religion, sex, sexual orientation, national origin, citizenship status or form of lawful immigration status.

DECLARATION OF APPLICANT

Authority

Agencies of the United States Government are required by law to take reasonable steps to determine whether any individual or company seeking to obtain assistance (other than emergency assistance) is lawfully within the United States.

In order to be eligible to receive FEMA Disaster Housing Assistance beyond 90 days, the applicant must be lawfully within the United States.

Please read the declaration below carefully and sign and return it to FEMA's housing staff at an Earthquake Service Center or Disaster Application Center when you request additional housing assistance. Please feel free to consult with an immigration attorney or other immigration expert if you have any questions.

At the time of the submission of your application, you will need to present a form of identification.

PRIVACY ACT STATEMENT

(The following statement of purpose and uses is provided pursuant to the Privacy Act of 1974, Public Law 93-579.)

The authority to collect information regarding your citizenship or immigration status is derived from Section 403 of the Emergency Supplemental Appropriations Act of 1994, Public Law 103-211. The primary use of this information is by the Disaster Housing Program to determine your eligibility for continued temporary housing. Additional disclosure of this information may be made to the Immigration and Naturalization Service for audit of the data provided. Furnishing the information sought by this declaration is voluntary, but failure to do so may result in disapproval of your request for continued housing assistance.

This request for information is not subject to coordination with or clearance by the Office of Management and Budget under the provisions of Chapter 35 of Title 44 of the United States Code.

Declaration

I understand that this declaration may be provided to the Immigration and Naturalization Service for the purpose of audit, and I expressly consent to its release for that purpose.

I hereby declare, under penalty of perjury, that I am lawfully in the United States because (check one):

______ I am a citizen or national of the United States.

______ I am a lawful permanent resident.

______ I am a person otherwise lawfully present in the United States.

Name of Applicant	Signature of Applicant
Date	Address
Date of Birth	

WARNING:

18 U.S.C § 1001 provides, among other things, that whoever knowingly and willfully makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

Question: What is the estimate of the cost to preposition resources in the California earthquake?

Answer: Although resources could not be truly "prepositioned" for the earthquake, there are costs associated with the deployment of several teams of emergency responders. These teams included: two (2) Urban Search and Rescue Task Forces from outside of the State of California; one twelve (12) member Incident Support Team to provide management and guidance for the Urban Search and Rescue Task Forces; four (4) Public Health Service Disaster Medical Assistance Teams; and, one (1) Public Health Service Medical Support Unit to provide management and guidance for the Disaster Medical Assistance Teams. In addition, there were transportation costs associated with the deployment of one FEMA Mobile Emergency Response Support (MERS) detachment, the FEMA Mobile Air Transportable Telecommunications System (MATTS), and each of the teams mentioned above.

FEMA estimates that the total cost of immediate deployment of each of these resources, including transportation costs, was $2,000,000.00. However, more costs would be incurred if FEMA had more warning of an event. For example, if a hurricane was approaching the coast, FEMA would not only preposition teams of emergency responders, but would also preposition material resources, such as bottled water, generators, tents, cots, blankets, plastic sheeting, porta-potties, along with other emergency response resources.

Question: At our hearing/briefing in May, Mr. Witt indicated that FEMA may seek further legal authorities to enable FEMA to preposition resources. What authorities are currently in place to preposition resources and what additional authorities are being sought? What is the status of these additional authorities?

Answer: Under section 501(a) of the Stafford Act, the President may declare an emergency at the request of the Governor of a State, but not unilaterally. Where a Governor has requested an emergency declaration and the President has made such a declaration, the President may "direct any Federal agency, . . . to utilize its authorities and the resources . . . [to] lessen or avert the threat of a catastrophe." Sec. 501(a)(1), 42 U.S.C. 5191(a)(1).

The President has limited unilateral authority to declare an emergency where "the primary responsibility for response rests with the United States because the emergency involves a subject area for which, under the Constitution or laws of the United States, the United States exercises exclusive or preeminent responsibility and authority." Sec. 501(b), 42 U.S.C. 5191(b).

The emergency assistance that can be provided is enumerated in section 502(a) of the Stafford Act. Section 502(b) provides that "[w]henever the Federal assistance provided under subsection [502](a) with respect to an emergency is inadequate, the President may also provide assistance with respect to efforts to save lives, protect property and public health and safety, and lessen or avert the threat of a catastrophe." Sec. 502(b), 42 U.S.C. 5192(b).

In addition, section 201 of the Stafford Act authorizes the establishment of "a program of disaster preparedness that . . . includes-- (1) preparation of disaster preparedness plans for mitigation . . . [and] emergency operations [and] . . . (2) training and exercises . . ." While not explicit, this statutory provision authorizes predeployment and prepositioning activities for use in responding to situations which could result in Presidential emergency or major disaster declarations under the Stafford Act.

In order to address the concern about the lack of explicit authority to mobilize and preposition resources before a major disaster under the Stafford Act, FEMA is seeking explicit authority under the Stafford Act for predisaster mobilization activities.

Question: Currently, there are several bills pending in Congress concerning disasters and disaster assistance. Please delineate the advantages and disadvantages of these various bills.

Answer: As of this date, we do not have an official position on the pending legislation. We will submit our views as soon as they are available.

Question: The U.S. House of Representatives has established a task force to review disaster assistance. What is FEMA's role in this task force?

Answer: FEMA is not an official member of the task force. However, the Director has met with the Co-Chairmen and offered FEMA's full cooperation and assistance as a resource.

Question: One important component of the earthquake response is the Urban Search and Rescue program. What is the request for this activity in FY 1995 and what was provided in FY 1994?

Answer: In FY 1995, FEMA is not requesting any funds from the budget to support Urban Search and Rescue. Funding for this activity ($425,000), however, will be provided out of the President's Disaster Relief Fund as an appropriate measure to ensure that these teams are prepared for future disasters in which they may be needed. This funding level is the same as that provided in FY 1994.

In FY 1994, $300,000 of the $425,000 provided to support Urban Search and Rescue came from funds appropriated by the Congress in the budget. The additional $125,000 came from the President's Disaster Relief Fund to support preparedness and training activities of these teams.

In light of the limited funding for Urban Search and Rescue, the success of the activated teams in the response to the Northridge Earthquake demonstrated the cost-effectiveness of this activity during times of disaster. Even with a relatively limited budget, FEMA's Urban Search and Rescue Task Forces were able to effectively respond and save many lives.

Question: Briefly describe both the first proposed rule and the one the Agency is now going to propose concerning the Radiological Emergency Preparedness Program fee. How will the structure differ? Why is FEMA making this change?

Answer: For FY 1993 bills, the methodology was published in an interim rule on July 1, 1993. Under the interim rule, the user fee was assessed as follows:

o The hourly rate for FEMA personnel was calculated by dividing the total obligations for salaries and expenses, including travel, by the total number of site-specific hours worked. In this way, costs for generic FEMA staff services were recovered in direct proportion to the site-specific costs. In order to determine the amount of the assessment for the FEMA personnel portion of the bill for each individual site, the number of hours expended for that site during the year was multiplied by the calculated hourly rate.

- Actual obligated site-specific contractor costs were assessed to licensees and obligated contractor generic costs were then assessed in direct proportion to the site-specific costs.
- Obligations for generic contractor program work that provides similar potential benefits to all licensees were divided equally among all sites.

At this time, FEMA is soliciting input from the industry regarding several alternative options for assessing the fees. Regardless of the methodology that is adopted, FEMA will continue to collect 100 percent of its budget as long as we are authorized to do so. With the industry's endorsement, we are using the same methodology employed in FY 1993 to calculate the user fee for FY 1994.

Question: For Fiscal Year 1993, what was the amount collected for REP fees? What is the anticipated amount in FY 1994?

Answer: The total amount of user fees billed under 44 CFR 354 for FY 1993 was $10,495,056.16. The total amount of user fees collected for FY 1993, including interest payments, was $10,495,453.25. For FY 1994, FEMA anticipates to again collect at least 100% of the REP budget, which is $11,525,000.

Question: Why is the cost of the REP Program not expected to change between FY 1994 and FY 1995?

Answer: The REP Program workload for FY 1995 is projected to remain essentially the same as it is for FY 1994. The primary program functions which form the basis of the workload and the program budget are the regulatory offsite biennial and remedial exercises and the review/evaluation/approval of offsite radiological emergency response plans under 44 CFR 350. The number of exercises and plan reviews anticipated for FY 1995 is consistent with the respective numbers for FY 1994. Other REP Program functions, such as the review and approval of alert and notification systems, the review of public information materials, user fee management, and training requirements will remain the same, or very similar, for FY 1995.

Question: Last year at the hearing we discussed how the training emphasis for SARA should be broadened. Has this training program been broadened?

Answer: The FY 1994 SARA guidance directs States to address the entire hazardous materials response, planning and prevention functions in their training programs. The guidance does not prescribe specific courses, but does provide definitions of the knowledge/skill areas that should be addressed within each of these functions. States have flexibility to use SARA funding as they see fit. There are, in fact, no restrictions, although use of 25 percent of funding for Federal courses is suggested.

Question: Please provide a breakdown of the costs for operations, maintenance, and administration of the special facility and the Emmitsburg facility.

Answer: The information for these facilities follows:

SPECIAL FACILITY

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE (EMPA)

OBJECT CLASS	**DESCRIPTION**	**FY94 ESTIMATE**	**FY95 REQUEST**
2332	Electricity	$980,000	$1,000,000
2640	Fuel	575,000	585,000
2580	Custodial Contract	240,000	260,000
2580	Health Services	495,000	525,000
2610	Admin. Supplies	70,000	70,000
2690	Warehouse Stock	170,000	170,000
2580	Maint, FMS Software	100,000	100,000
2522	Office Eq. Maint.	85,000	85,000
2690	Misc Safety & Repairs	60,000	60,000
2580	Facility Maint. Contr.	195,000	195,000
2690	Repair Parts & Matls.	625,000	650,000
3100	Equipment	190,000	167,000
3220	Major Maint. Proj.	1,370,000	1,000,000
Total, EMPA		5,155,000	4,867,000

SOURCE OF FUNDS:

Operating Budget	2,744,000	2,744,000
Reimbursements from Other FEMA Elements for SF Support	1,760,560	1,472,560
Reimbursements from Other Federal Agencies for SF Support	650,440	650,440
TOTAL EMPA SUPPORT	$5,155,000	$4,867,000

SPECIAL FACILITY (cont'd)

SALARIES AND EXPENSES (S&E)

OBJECT CLASS	DESCRIPTION	FY94 ESTIMATE	FY95 REQUEST
1100	Salaries & Benefit	$10,487,000	$10,487,000
2560	Training	42,000	42,000
2110	Travel	49,000	49,000
3100	Equipment	325,000	250,000
	Total S&E*	$10,903,000	$10,828,000

**S&E Figures represent (1) Operating Budget; (2) Reimbursements from Other FEMA Elements for SF Support; and (3) Reimbursements from Other Federal Agencies for SF Support. Includes the following amounts from operating budget: 1993 - $7,582,000;*
1994 - $10,578,000; 1995 - $10,578,000.

TOTAL COST TO OPERATE		**$16,058,000**	**$15,695,000**

Note: Increased FEMA activities located at the Special Facility include a Disaster Teleregistration Center, Central Equipment Storage Center, Central Disaster Finance Office and Training in support of all-hazard emergencies. These activities occupy buildings that were leased to other agencies in the past. Infrastructure funding is not available in the current budget structure to provide basic support for these new operations.

NATIONAL EMERGENCY TRAINING CENTER

	1994 CURRENT ESTIMATE			1995 REQUEST		
	S&E	EMPA	TOTAL	S&E	EMPA	TOTAL
Salaries	$1,325,000	—	$1,325,000	$1,325,000	—	$1,325,000
Benefits	263,000	—	263,000	263,000	—	263,000
Travel	108,000	—	108,000	108,000	—	108,000
Motor Pool	24,000	—	24,000	24,000	—	24,000
Transportation of Things	4,000	2,000	6,000	4,000	2,000	6,000
Equipment Rental	3,000	175,000	178.000	3,000	175,000	178,000
Utilities	236,000	607,000	843,000	236,000	607,000	843,000
Printing	5,000	21,000	26,000	5,000	21,000	26,000
Employee Trng	2,000	—	2,000	2,000	—	2,000
Facility Maint	—	3,042,000	3,042,000	—	3,042,000	3,042,000
Student Svcs	—	—	—	—	—	—
Library Svcs	—	—	—	—	—	—
Media Support	—	—	—	—	—	—
ADP Support	—	315,000	315,000	—	315,000	315,000
Misc Contracts	70,000	1,619,000	1,689,000	70,000	1,619,000	1,689,000
Supplies	37,000	172,000	209,000	37,000	172,000	209,000
Subscriptions	—	—	—	—	—	—
Furniture/ Equipment	2,000	204,000	206,000	2,000	204,000	206,000
Books	—	—	—	—	—	—
Buildings/Grounds	—	4,325,000	4,325,000	—	4,325,000	4,325,000
TOTALS	$2,079,000	$10,482,000	$12,561,00	$2,079,000	$10,482,000	$12,561,000

Question: FEMA has supported the World University Games and the 1993 World Youth Day, and plans to support the World Cup Soccer Championship as well as the 1996 Olympic Games. Please describe how FEMA supports these various events.

Answer: FEMA assists the State, Local, and other Federal Departments/Agencies in their planning for any contingencies which could occur during these events. Additionally, when requested, FEMA supports these officials by furnishing management tools such as the Information Display System (IDS), hand held radios, telephones and other communications equipment, as well as life support (heating, ventilation, air conditioning, electrical power). In larger events such as the World Cup Soccer Championship and the 1996 Olympics, FEMA would provide not only this assistance, but also a liaison person at the venue/State Emergency Operations Center to ensure an immediate FEMA response, if required, through the FEMA Director and the Federal Response Plan.

Question: At the hearing, FEMA indicated that the civil defense requirements study has been completed, but has not been cleared by OMB yet. When will the report be available to Congress?

Answer: Dialogue within the Administration on the content of the report is just beginning; we will keep the Subcommittee informed as discussions progress.

Question: At the hearing, the Agency indicated that the disaster declaration process was being reviewed. What is the current declaration process and what changes should be made? What is the status of this review?

Answer: The current declaration process is as follows:

A Preliminary Damage Assessment (PDA) is requested by the State. The PDA is jointly conducted by FEMA, State and local representatives, and other Federal agencies. Following the completion of the PDA, the State may submit a request for a major disaster or emergency declaration. The request is submitted to the President through the FEMA Regional Director over the Governor's signature. A summary of the event and a recommendation based on the results of the PDA are then submitted to FEMA headquarters along with the Governor's request for final review. A recommendation for the President is developed from this final review.

In our ongoing effort to improve government operations at FEMA, great attention is currently being given to reviewing the declarations process. At a recent meeting of FEMA Regional management staff, several areas of the process were identified for review, including determining severity and magnitude; defining and evaluating state capability; as well as several procedural functions. A meeting was also held on May 3-4 to discuss declaration criteria specifically for winter storms. A number of issues pertaining to the overall declaration process and criteria also were discussed. An interim policy specifically for winter storms is being developed for comment and review.

While this review is just beginning, it is hoped that the end result will be a greatly improved declarations system. We anticipate that the complete review of the process will include the participation of other organizations, along with FEMA.

Question: For fiscal year 1995, FEMA is requesting funding for 2,717 workyears. How much additional funding would be needed to fully fund this level of workyears for FY 1995?

Answer: To fully fund the 2,717 workyears, an additional $2.9 million would be needed to cover costs associated with pay raises.

Question: Please provide the levels expended for office furniture for fiscal years 1992 and 1993, the anticipated level in FY 1994 and the request for FY 1995.

Answer: The office furniture expenditures for fiscal years 1992 and 1993 were $204,883 and $65,061, respectively. For 1994, the furniture expenditures are estimated to be $ 52,350. The FY 1995 budget request includes $58,409 for furniture.

Question: Certain regulatory changes have been made in the disaster assistance program in order to achieve additional savings. At FEMA's hearing, the Agency indicated that these regulations have, in fact, caused some problems in the administration of the program. What were the regulatory changes that were made and why were they problematic? When will we know if these regulatory changes did result in a savings?

Answer: The regulation changes that the Chairman mentions became effective October 14, 1993, and made the following changes:

- the types of private non-profit (PNP) organizations eligible for disaster assistance were reduced;
- an applicant's straight-time salary cost for its permanent employees performing emergency work is not eligible for reimbursement, and
- the minimum threshold for damage at a site for it to be eligible for disaster assistance was raised from $250 to $1,000.

Because these changes reduced eligible assistance (over what had been available in past disasters), and made some types of private non-profit organizations ineligible for assistance, there has been resistance to these regulation changes from some applicants. We continue to believe, however, that the purposes for these changes are being met -- federal disaster assistance is more clearly focused on supplementing state and local efforts, and that only additional expenses directly caused by the disaster should be eligible for assistance. There have not been any substantial problems in administering the new regulations.

Although these regulatory changes are less than one year old, we already know that two of the changes have resulted in savings. These are: 1) reducing the types of PNP organizations eligible for disaster assistance, and 2) making an applicant's straight-time salary cost for its permanent employees performing emergency work ineligible. Identifying savings from raising the minimum threshold of damage can only be hypothesized since sites with lesser damage are no longer inspected. The total savings will be estimated after these regulations have been in effect for one year.

Question: Please describe the policy change made that allows for the reimbursement to a city for the use of city employees in debris removal at disasters. Why was this policy changed? How much will such a policy change cost?

Answer: On September 14, 1993, FEMA published a final rule changing the eligibility of costs that may be claimed in the performance of work under a disaster assistance grant. The rule (general rule) made straight-time force labor account costs of permanent employees ineligible for essential assistance under § 403 and for debris removal under § 407 of the Stafford Act. The changes were to reduce the Federal costs of disaster assistance, and to clarify that only direct, additional force account labor costs caused by a disaster are eligible for assistance.

On February 15, 1994 the City of Los Angeles asked FEMA to fund the full federal share of a City-run program for the management of building permit processing for demolition and debris removal for all earthquake-damaged or -destroyed properties in the City. This proposal contemplated the use of full-time City employees, and the City asked FEMA to pay the straight- or regular-time salaries of the City's permanently employed personnel working in the program. In making its proposal, the City represented that if the program were managed privately, through the use of contractors, the estimated cost would be $12,304,720 (and would be cost-shared by

FEMA), but if managed by the City would be $5,882,714 (and generally would not be reimbursable by FEMA, under the new regulation).

Based on these representations and on the understanding that there would be actual savings to the taxpayer in the amount of approximately $6 million, FEMA approved the waiver request. FEMA therefore authorized the payment of straight- or regular-time salaries of the City's permanently employed personnel engaged in the City's demolition and debris program. This action does not represent a change of general policy, but is a limited waiver of the general rule that was based on a clear showing of cost savings.

The use of regular full-time State and local employees for such purposes usually does not result in cost savings; therefore, granting of a waiver would not be warranted. FEMA estimates annual savings of approximately $19 million as a result of the implementation of the general rule.

Question: For fiscal year 1995, no loan limitation was requested for the Community Disaster Loan Program. How much was requested of OMB for this program? If funds were available, what should be the loan limit for this program?

Answer: The Community Disaster Loan (CDL) Program under Section 417 of the Stafford Act is subject to the Credit Reform Act. As a result, it is necessary for loan authority to be annually approved by the Congress.

Because of budget concerns and shifting Agency priorities, FEMA did not request appropriated loan authority or an appropriation for subsidy from OMB for this program in FY 1995. If loan authority and subsidy were available, however, the Stafford Act does not limit the actual amount of a given loan or the number of loans that FEMA may approve in a given year. The loan limit for the CDL program, as currently defined by the Stafford Act, is limited to 25 percent of the annual operating budget of that local government for the fiscal year in which the major disaster occurs. Based on the operating budget of the local governments, FEMA has approved and disbursed loans ranging from $11,000 in Illinois to over $50,000,000 in the Virgin Islands.

Question: Many have expressed concern about the financial condition of the National Flood Insurance Program. How would you rate the financial condition of the fund?

Answer: The National Flood Insurance Fund is steadily recovering from two successive years of losses, far in excess of the historical average loss year, which it was designed to cover. The fund continues its success of the last eight years in supporting the National Flood Insurance Program without taxpayer funds for the historical average loss year.

Since December 31, 1993 when the National Flood Insurance Program was required to exercise its borrowing authority in order to meet its immediate cash needs, which exceeded its available cash on hand by some $11.6 million, the National Flood Insurance Fund's cash balance has been steadily improving.

Although the Fund still shows a negative unobligated fund balance, as a result of two successive years of loss payments far in excess of those expected in the historical average loss year, the cash on hand for every month since December 1993 has exceeded the $100 million actually borrowed. This means that the $100 million loan could have been paid off in any of those succeeding months. The loan has not been paid off because the amount left in the cash balance after the loan repayment may not be large enough to cover the Fund's potential immediate cash needs for even a moderate flooding incident.

At the end of February, 1994 the cash balance of the Fund rose above $134 million, while the unobligated fund balance improved from where it began at the start of the fiscal year at minus $109.8 million to minus $60.6 million. The cash balance as of the end of March was $169 million. If we continue this trend of experiencing losses far below those expected in the historical average loss year as we have up to now, we could end up with an unobligated fund balance at or near zero, which would be right "on point" for the design of this Fund.

Question: What is FEMA doing to increase the number of flood insurance policyholders?

Answer: FEMA has set a goal of a 20% increase in policies over this coming 2-year period. In order to achieve this goal, FEMA created a new branch devoted to the marketing of flood insurance and developed a comprehensive marketing plan.

The National Flood Insurance Program (NFIP) Marketing Strategy will be implemented by:

- Simplifying the insurance program and the application process to encourage sales. For example, the NFIP Servicing Agent Contractor will be offering a Rating Service to insurance agents to help them place business directly with the Government by allowing them to reduce time spent with Manuals, instructions and paperwork; i.e., the agent will not have to open the rating manual, review flood maps, or determine flood zones and premiums. The Rating Service will do it all.

- Working with the various FEMA and other government offices in *"Flood Loss Reductions '94"*, the FEMA Initiative to Reduce Midwest Flood Losses, to increase the awareness of flood insurance and promote insurance sales.

- Continuing to work with the Federal Agencies and Instrumentalities to assure mortgage lender compliance with statutory Mandatory Purchase requirements of the Flood Disaster Protection Act of 1973.

- Updating the Mortgage Portfolio Protection Program which helps mortgage lenders and servicers meet their responsibilities to comply with statutory Mandatory Purchase provisions.

- Encouraging increased private sector insurance company participation in the Write Your Own Program which has become the primary vehicle for the delivery and servicing of the NFIP.

- Enlarging the marketing and regional staffs of the NFIP Bureau and Statistical Agent contractor in order to increase in-field promotion of the NFIP.
- Putting in place, on October 1, 1994, a new residential condominium policy form, dwelling form, and general property form in concert with the insurance industry and agents in order to provide better protection to residential condominium buildings, reduce underinsurance, bring coverage closer to general industry practices, and present the federal insurance policies in a more readable format.
- Refining the Community Rating System which provides flood insurance premium credits in over 700 communities that implement mitigation, preparedness and awareness activities which encourage the purchase or facilitate the sale of flood insurance.

Question: What kind of mitigation strategies were implemented in the Midwest after the flooding last summer?

Answer: The primary mitigation strategy following the Midwest floods of 1993 has been the acquisition or elevation of flood damaged residential properties, and, in some cases, the relocation of portions of communities, including infrastructure and residential and commercial activities, to non-flood prone locations. Most of the funding available to FEMA under Section 404 of the Stafford Act, as well as the majority of the supplemental Community Development Block Grant (CDBG) funds available to the Department of Housing and Urban Development (HUD) from supplemental funding will be used for this purpose. This effort has been aided greatly by passage in November of the Hazard Mitigation and Relocation Act of 1993, which provided greatly expanded resources under Section 404 of the Stafford Act to underwrite acquisition and relocation costs.

Question: The Inspector General's office has placed an emphasis on closing out previous disasters. How many previous disasters are still open? What is the balance of obligated funds -- but should be deobligated -- for disasters that should be closed out, but are not? Exactly how does FEMA track the expenditures of a particular disaster?

Answer: The number of open disasters as of May 11, 1994, is 284. We have closed 15 disasters since the beginning of this fiscal year.

FEMA closes a disaster when all payments and refunds have been completed and all obligations have been liquidated. At that point, we obtain the concurrence of the State Governor and the FEMA Regional Director and close the disaster in the accounting system. We have 12 disasters in this final stage at present; all funds are liquidated, but the closeout process has not been completed. The unliquidated obligation on these 12 disasters is zero. Therefore there will be no fund balance remaining for deobligation when final closing procedures have been completed.

Upon the President's declaration of a major disaster, an account unique to the disaster incident is set up in FEMA's computerized Financial Management System (FMS). From this point on, all financial transactions relative to the disaster incident are charged to the special account. The flow is as follows: The Regional Office responding to the incident will conduct an analysis of the damages to determine an estimate of the overall FEMA cost of disaster relief. The amount agreed upon is recorded on a "Request for Allocation Advice" form, broken down by categories such as travel, supplies, grants, mission assignment, equipment, etc. Upon approval of the requested funds, the Office of Financial Management is responsible for entering the requested allocation of funds into the FMS as indicated on the request form. The Office of Financial Management issues an "Allocation Advice" form which gives notification that the account is ready for expenditures to be charged against it, i.e., commitments and obligations can be posted. Purchase Orders are completed citing the established fund code for payment. The code will include a 4-digit sub-object code which has a direct correlation to the item or service being purchased. This procedure basically gives FEMA the ability to track expenditures. Reports can be generated which provide a comprehensive accounting for how much and why funds were spent.

Commitments and/or obligations are posted into various FMS components as follows:

- Invoice Tracking System for committing purchase orders;
- TRIPS for Travel related expenditures;
- National Finance Center's payroll/personnel system; and
- DAMAGES for all grants and mission assignments.

For the most part, commitments and obligations are done by the Finance Section at the Regional or Disaster Field Office and payments are made at the Headquarters.

Question: Please provide some background on the joint IG and program management study of disaster assistance expenditures.

Answer: The Office of Inspector General (OIG) is currently participating on four joint projects with FEMA program staff that affect disaster assistance expenditures. First, the OIG examined the Disaster Declaration Process. Details concerning this initiative are discussed above. Second, in collaboration with the FEMA Regional Offices and the Office of Financial Management, the OIG is inventorying all outstanding disasters, assessing each on a case by case basis to determine the status of closeout actions, and developing a strategy to close each disaster that was declared prior to FY 1992. Third, in collaboration with the Response and Recovery Directorate, OIG is determining whether FEMA might do more to reduce the cost of dealing with disaster debris. Finally, the OIG is working closely with FEMA staff responsible for the delivery of disaster relief aid to those affected by the Northridge earthquake. The OIG is focusing on financial management and property management systems that have been developed to control funds and assets allocated for disaster response and recovery activities. The primary objective of this effort is to identify opportunities for improvement and provide suggestions and technical advice that will help provide needed management controls and ensure the effective and efficient delivery of services. In addition, at the request of the Director, the OIG initiated similar work for the Disaster Unemployment Assistance Program, the Individual and Family Grant Program, and the Temporary Mortgage and Rental Payments Program.

Question: In the Operations Support component of the justification there is a new function under the reorganization which includes support services such as administration, acquisition, logistics, information systems, communications systems and so forth. FEMA is requesting an almost $5,000,000 reduction from the 1994 current estimate and $16,500,000 from the 1994 request for this account.

On page EM-37, the justification states that the decrease reflects a reduction in the National Networks area and may result in a reduction or termination of the telecommunications/NAWAS connectivity to State emergency operating centers.

What is the impact of this reduction and the possible termination of this activity?

Answer: The $4,953,000 reduction in the FY 1995 budget request will be achieved by reducing the cost of the National Warning System (NAWAS) and the FEMA Switched Network (FSN) systems. The NAWAS costs will be reduced by $2,900,000 while the FSN costs will be reduced by $2,053,000.

NAWAS system cost reductions will be accomplished by:

- o Converting the NAWAS system to operate using FTS 2000 circuits which will provide the same level of service as currently available, while saving $2,000,000 per annum, and
- o Eliminating approximately 400 of the least beneficial terminals, many of which we expect to be located at Department of Defense facilities, in order to save another $900,000. The selection of NAWAS terminals for elimination will be predicated on an all-hazard, risk based emergency management perspective.

FSN system cost reductions of $2,053,000 will be achieved by reducing the backbone communication circuits.

Question: Executive Direction generally supports the Director and senior agency executives and so forth. One of the activities for FY 1995 is to strengthen and extend partnership arrangements with volunteer organizations, the private sector and States and local governments. How does FEMA plan to strengthen its partnership arrangements?

Answer: Significant effort is already underway in FY 1994 to strengthen partnerships. For instance, in the new organizational structure, the Office of Congressional and Intergovernmental Affairs has been assigned responsibility for building relationships with State and local governments. Emergency management is a point of significant evolution. Local and State organizations feel the need to be kept better informed on programs and policy direction. Emphasis is being place on working closely with our customers at the State and local level.

Each Region will finalize memoranda of understanding with their State counterparts that will outline working relationships prior to and during disaster response operations. Additional flexibility is being incorporated into our grant and Emergency Management Assistance funds to allow each State to determine the appropriate ways to increase their capabilities. This cooperative approach strengthens our day-to-day working relationships with State emergency directors. We are also seeking their input through "customer" survey mechanisms and policy development processes to improve our partnerships.

FEMA is fully participating in the Administration's initiative to establish a network with non-profit organizations. Internal liaisons have been appointed in each major part of the organization to build on this network and to develop mechanisms for increasing contact with the private sector. Plans are being made to increase activities with those non-profit organizations already involved with FEMA, and to expand outreach to other organizations.

FEMA activities are being identified that can be promoted by business, industry, association, and labor groups to enhance emergency management within their organizations. Emphasis is being placed on individual and family protection measures, and also how businesses can build emergency management capabilities.

As a result of recent disasters, the emphasis on donations to disaster victims has been increased. FEMA plans to increase its outreach to national associations and organizations which have expressed their interest in supporting disaster victims. Through mutual cooperation, generosity of the American people can be appropriately channeled.

The number of private and volunteer organizations interested in emergency management has reached an all-time high. To fully capitalize on this interest and channel it into effective programs, FEMA will have to devote the resources in FY 1995 to manage and support such cooperative efforts.

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSWOMAN KAPTUR

Question: As you know, during response to the great flood last summer, the Administration agreed to a second standard for multiple state disasters in which a .10% of GDP threshold was used to qualify for the 90/10 cost-share for public assistance eligibility instead of a $64 per capita threshold. To facilitate future disaster assistance, could a new threshold be established?

Answer: In accordance with the supplemental nature of the Stafford Act and to demonstrate the fiscal responsibility of both State and Federal governments, a measure of cost-sharing is always retained; however, thought is being given to other qualifying thresholds and implementation methods for cost-sharing during disasters.

To address the issue of establishing cost-share formulas, FEMA has established a task force to evaluate and propose possible amendments to the Stafford Act.

Question: Could such a threshold take into account the ability of local governments to afford their share of disaster expenses, the intensity of the crisis, and the history of local disasters?

Answer: Previous adjustments have always taken disaster history and the intensity of a given event into consideration and these considerations have been reflected in the establishment of both the existing and recommended eligibility thresholds.

Question: Because much ground in the Midwest is still saturated from last summer's flood, spring flooding will likely occur when snowfall begins to melt and is unable to soak into the ground. What steps are you taking to mitigate the damage from this potential flooding?

Answer: FEMA is working with Federal departments and agencies under the Federal Response Plan (FRP) to assess the threat of potential flooding, identify preparedness actions which can be taken to lessen or avert the threat, and improve the response should serious flooding occur.

Each of the FEMA Regional Offices in the area which may be potentially affected has been working closely with the States in an effort to begin coordination and monitor the situation as the Spring approaches.

On March 3, a meeting of Annex Planning Leaders, representing the 12 Emergency Support Functions under the FRP, and representatives from FEMA was held to discuss activities related to the spring flood potential in the Midwest and in other areas of the country. The National Weather Service provided an overview of the areas most likely to experience flooding problems. The agencies agreed to keep FEMA apprised of their activities in this area. FEMA is also supporting USACE levee repair activities and continuing to fund the buy out of flood prone structures.

FEMA is promoting mitigation measures throughout the potential disaster area by funding $304 million for the buyout of some 6,812 structures under the Hazard mitigation program.

In addition, FEMA continues to maintain Disaster Field Offices and other key disaster-related facilities in Springfield, IL; Jefferson City, MO; and Des Moines, IA to continue disaster operations in support of the 1993 flood. This is meant to increase the speed of response should a flood disaster occur.

Question: According to federal flood insurance records of over 75,000 claims annually, 30,000 are repeaters. Careful and forward-thinking land use planning must be encouraged and fostered at the local level. With proper land use planning, there should be less likelihood that structures would be built on a flood plain. Does FEMA have any plans to address this matter? If so, is that reflected in this budget request?

Answer: There are 63,000 buildings which have sustained two or more flood losses between 1978 and 1993 (a fifteen year period). This definition is used for the National Flood Insurance Program (NFIP) Community Rating System. This number tends to overstate the number of structures since some of the earlier losses are for structures which no longer exist or which have been protected by flood control projects.

There are 30,500 buildings that sustained two or more losses during the 10 year period from 1980 and 1990. This number was developed for a 1990 report developed to assess the potential numbers of buildings affected by proposed legislation. These numbers do not reflect the extensive coastal flooding in the Northeast during the last several years.

The discrepancy between the two numbers is explainable by the differences in the period of recordation and the definition. The true extent of the problem is probably somewhere in between the two numbers.

The National Flood Insurance Program (NFIP) has discouraged development in many floodplain areas. For other floodplain areas it has significantly improved the quality of construction and the ability to withstand flood damages.

In Riverine floodplains, where alternative building sites are generally available FEMA believes that the NFIP has discouraged development in three important ways:

- Increasing the awareness of flood hazards through the mapping of more than 20,000 communities.

- Internalizing the costs of floodplain development by ensuring that those costs are borne by the property owner, not the taxpayer. (Through increased construction costs to minimize damage and through the flood insurance premium).

- Ensuring that communities regulate floodplain development. The program has designated approximately 160,000 square miles of floodplain and 9,000 square miles of floodways. Over 18,000 communities now participate in the NFIP and have adopted floodplain management regulations meeting NFIP minimum standards. The communities include nearly all communities in the United States with significant flood hazards.

In coastal floodplains, where alternative flood free sites are generally not available, the demand for recreation and the profits that can be made from real estate investments are the forces that drive development. The NFIP has had minimal impact on the amount of development that has occurred.

NFIP minimum requirements have proven effective in minimizing damages to new structures built in floodplains. Structures built in accordance with program requirements have performed well in recent floods. Structures which were built prior to adoption of local floodplain management regulations are four times more likely to file a claim as a structure built in compliance.

Activities that FEMA conducts which address repetitive losses and other floodplain development issues include:

- Through the Community Assistance Program, FEMA has funded States to provide floodplain management assistance. Activities include flood loss reduction workshops, newsletters, Community Assistance Visits and Contacts, and assistance to communities with adopting floodplain management regulations.

- The Community Rating System (CRS) is designed to reward and encourage through flood insurance discounts, communities that exceed the minimum flood loss reduction requirements of the NFIP, to initiate new floodplain management activities, and strengthen current one. For instance, repetitive loss communities that apply for participation in the NFIP CRS are required to identify and map their repetitive loss structures. Communities with greater than 10 repetitive loss structures are required to develop and implement a repetitive loss plan to continue receiving the CRS credit.

- FEMA publishes and widely distributes manuals on retrofitting and floodproofing structures, including: "Design Manual for Retrofitting Flood-Prone Residential Structures", and "Repairing Your Flood Home".

- FEMA purchases floodprone structures under its Section 1362 Property Acquisition Program.

- Technical assistance is also provided through FEMA's ten FEMA Regional Offices which also conduct Community Assistance Visits and Contacts, workshops, and general technical assistance on various flood loss reduction techniques, including design and reconstruction techniques.

- Following major flood disasters, FEMA conducts building performance assessments and develops reports containing technical guidance and design recommendations for reconstruction in floodprone areas; FEMA uses these informational materials at workshops and informational centers set up in the disaster area for local officials and others in the building community, and property owners.

The items discussed above are part of FEMA's budget request.

Question: Are people with insurance given any priority over people without insurance when a natural disaster takes place and FEMA becomes involved?

Answer: Individuals with insurance are not given priority over people without insurance under FEMA's disaster assistance programs. In fact, to receive assistance, applicants with insurance are expected to file an insurance claim to cover any expenses resulting from the disaster before receiving assistance from the Federal government. If the applicant finds that the insurance is inadequate, or there will be a delay in receiving the insurance payment, then FEMA may provide eligible applicants with disaster assistance.

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSMAN LEWIS

Question: Following the Loma Prieta earthquake, FEMA it seems got into the building design business, allowing its own engineers to second-guess State and local engineers and experts on how buildings should be rebuilt and forcing endless delays. Not surprisingly, in just about every instance, the FEMA position was less expensive than the local alternative and in at least one instance the FEMA alternative was disapproved by local building inspectors.

In fact, the California Office of Emergency Services advises me that approximately 40 percent of the funds appropriated for public facilities repair following the Loma Prieta earthquake have not been allocated in large part due to such second guessing. This Committee appreciates and understands the need to be watchful of how tax dollars are spent.

What specific steps is FEMA taking to ensure that the funds appropriated for the Northridge earthquake recovery are spent expeditiously?

Answer: Soon after the earthquake, FEMA obligated over $200 million to the State to fund emergency protective measures that were performed by the affected State and local governments. We used damage information gathered by the Los Angeles Unified School District as a basis for providing partial funding to the district in advance of FEMA/State inspections. This allowed the district to initiate construction projects in a timely manner. We participated on the Governor's transportation task force and were able to promptly fund emergency transportation measures.

In addition, FEMA and the State Office of Emergency Services (OES) have developed a process to expedite the infrastructure grant process for repairing damaged buildings. FEMA and the OES have signed a memorandum of understanding that establishes the levels of damages (in terms of percent of cost to replace the building) at which varying degrees of seismic upgrade of the building and its components would be accomplished. Decisions on seismic upgrades and hazard mitigation recommendations will be made early in the repair process. The MOU should eliminate delays over disagreement about whether seismic upgrades of buildings are required.

Question: A significant underlying issue is that of the current building codes and standards. Under current FEMA regulations, they may be upgraded if a local jurisdiction determines that the standards in place at the time of the event were not adequate. But as we've seen with the San Francisco City Hall and the facilities at Stanford, when the code changes, resulting in a more expensive project, FEMA has done everything to avoid funding the reconstruction.

What specific steps will FEMA take to ensure that the current regulations are respected, and what steps is FEMA taking to ensure that local jurisdictions understand these regulations?

Answer: FEMA and the California Office of Emergency Services (OES) conduct Infrastructure Grant applicant briefings in the affected areas to inform applicants of program policies on eligible work. We also conduct a comprehensive training program for Federal and State inspectors to familiarize them with program policies. Additionally, the local applicants' engineers work closely with FEMA and OES by providing them with their recommendations for local code compliance and possible hazard mitigation in restoration of large projects.

Question: Whenever the State and FEMA are unable to agree on the costs and scope of repairing a public facility, it seems there are endless delays. While I understand there is an appeals process, it seems to lack finality, thus delaying the rebuilding of important facilities and creating uncertainty in the State and local budget planning process because, after all, they need to make their budget decisions based on a FEMA decision.

What specific steps is FEMA taking to ensure that claims for Public Assistance funds are expedited to reduce the potential for appeals?

Answer: FEMA and the OES have signed a memorandum of understanding (MOU) that establishes the levels of damages (in terms of percent of cost to replace the building) at which varying degrees of seismic upgrade of the building and its components would be accomplished. Decisions on seismic upgrades and hazard mitigation recommendations will be made early in the repair process. The MOU should eliminate delays over disagreement about whether seismic upgrades of buildings are required.

Question: Would FEMA support the concept of a third-party arbitrator in the event a State and FEMA cannot reach an agreement?

Answer: Yes. We support the concept of a third-party peer review when FEMA and the State or applicant cannot agree on technical issues.

Question: How much does FEMA give to States for mitigation activities?

Answer. FEMA, through annual program funds, has provided $9,494,800 to states for hazard mitigation activities in Fiscal Year 1994. This can be broken down by program funds as follows:

Earthquake:	$3,746,800
Hurricane:	1,260,000
Hazard Mitigation Assistance:	188,000
Flood Hazard Reduction:	4,300,000
	$9,494,800

In addition to these annual funds, FEMA provides, through section 404 of the Stafford Act, funds for mitigation activities to States that receive Presidential disaster declarations. Since 1990, the first year that mitigation funds were obligated under this authority, a total of $72.5 million has been obligated to states.

Question: Isn't it true that most of this money is used in areas that have just suffered a major disaster?

Answer. The $9,494,800 in annual program funds is provided to states without regard to recent declarations of a major disaster. When there has been a declaration of major disaster, section 404 of the Stafford Act provides that the President (through FEMA) "may contribute up to 75 percent of the cost of hazard mitigation measures...." that are cost-effective and environmentally sound. The total Federal amount of funding for these measures for a disaster is limited to 15 percent of the estimated amount of total Federal grants (less administrative costs) to be made under the Stafford Act for the disaster. This can be a significant amount of funding, depending on the magnitude and severity of the event. In the nine state region affected by the 1993 midwest floods, approximately $134.4 million is available to fund mitigation measures. Estimates are still being developed for the recent Northridge, California earthquake, but at this time it appears that over $500 million will be available for hazard mitigation activities as a result of that disaster.

Question: What about pre-disaster mitigation?

Answer. FEMA provides states with funding for pre-disaster mitigation activities through the Earthquake Program, the Hurricane Program, Hazardous Mitigation Assistance Program, and the Flood Hazard Reduction Program. Also, the Disaster Preparedness Improvement Program authorized by section 201 of the Stafford Act can be used for pre-disaster mitigation activities, such as the preparation and updating of state mitigation plans.

Question: How much do you allocate to States for this purpose?

Answer: The Disaster Preparedness Improvement Program, which provides states with an annual $50,000 grant (which they must match 50-50), is intended to enhance state capability to respond to a disaster and successfully fulfill their responsibilities in the post-disaster environment. FEMA has encouraged use of these funds for mitigation planning, prioritization of mitigation activities, etc., so that when funds become available as a result of a disaster declaration (or even without a Presidential declaration, as part of a state or local budget), mitigation measures may be implemented as expeditiously as possible.

FEDERAL EMERGENCY MANAGEMENT AGENCY

BUDGET IN BRIEF
FISCAL YEAR 1995

FEDERAL EMERGENCY MANAGEMENT AGENCY
1995 Budget in Brief
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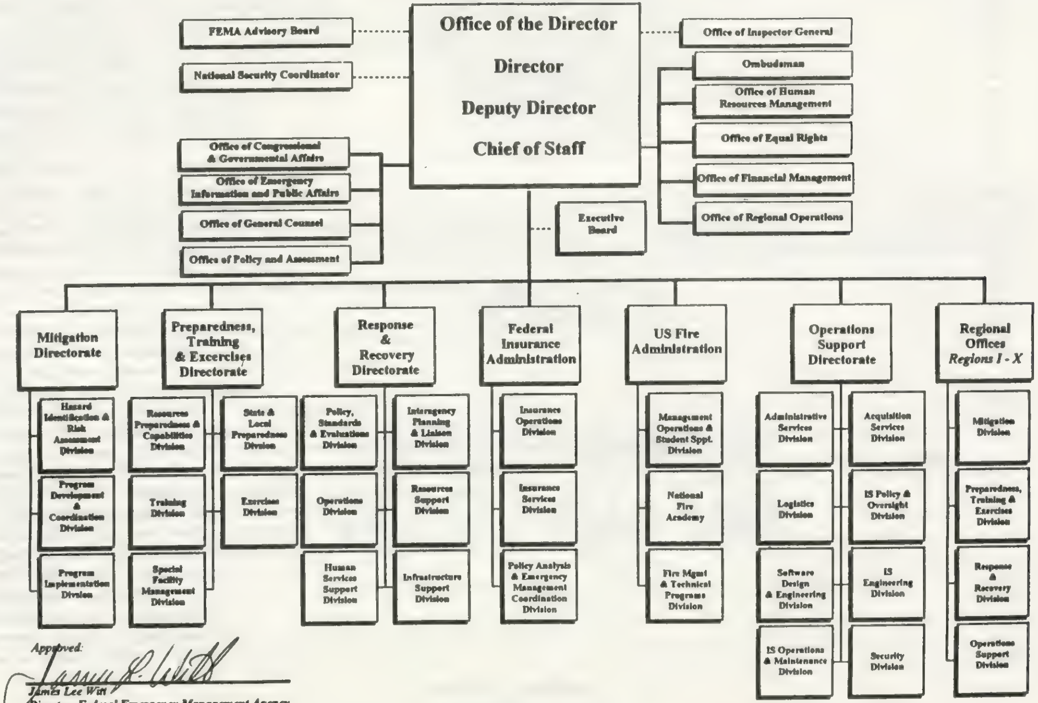
Federal Emergency Management Agency


FEMA Advisory Board
National Security Coordinator
Office of the Director
Director
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Chief of Staff
Office of Inspector General
Ombudsman
Office of Human Resources Management
Office of Equal Rights
Office of Financial Management
Office of Regional Operations
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Hazard Identification & Risk Assessment Division
Program Development & Coordination Division
Program Implementation Division
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Training Division
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State & Local Preparedness Division
Exercises Division
Response & Recovery Directorate
Policy, Standards & Evaluations Division
Operations Division
Human Services Support Division
Interagency Planning & Liaison Division
Resources Support Division
Infrastructure Support Division
Federal Insurance Administration
Insurance Operations Division
Insurance Services Division
Policy Analysis & Emergency Management Coordination Division
US Fire Administration
Management Operations & Student Sppt. Division
National Fire Academy
Fire Mgmt & Technical Programs Division
Operations Support Directorate
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Logistics Division
Software Design & Engineering Division
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Mitigation Division
Preparedness, Training & Exercises Division
Response & Recovery Division
Operations Support Division

Approved:

James Lee Witt
Director, Federal Emergency Management Agency

Effective: November 28, 1993

FEATURES OF THE 1995 REQUEST FOR THE FEDERAL EMERGENCY MANAGEMENT AGENCY

The Federal Emergency Management Agency provides leadership and support for a risk based, all hazards, emergency management program which includes mitigation, preparedness, response and recovery. FEMA's 1995 request reflects a redefinition of the emergency management mission as it pertains to the real risks we face in today's world.

This refocusing of FEMA's priorities, coupled with our support of the Administration's streamlining policies, translates into an Agency request for 1995 which will maintain most programs at their current levels, while enhancing our efforts to develop an overall national mitigation strategy for all types of disasters, and reducing spending in the defense-related arena commensurate with national priorities.

The 1995 request for FEMA operating accounts is $388,776,000, an increase of 4.1 percent over the 1994 enacted level. A 5 percent increase in the Salaries and Expenses appropriation provides for a greater commitment of agency resources to improve disaster response through planning exercises, and will support workyears associated with hurricane and earthquake mitigation strategies.

Changes to Structure

A major change in budget structure, proposed as a result of a critical review of the Agency's purpose and mission, better reflects the interrelationships among FEMA's programs and will increase management flexibility in applying scarce resources. This restructuring of the FEMA budget mirrors our recent functionally-based organizational realignment.

Highlights

In operating programs, increases in staff and funding in the earthquake and hurricane programs will expand FEMA's mitigation strategies, regional services, and public education initiatives. Increases are also requested to enable FEMA to implement recommendations of the Federal Response Planning task force, to implement a comprehensive exercise program, and to provide hazardous materials exercise and training support to the State and local emergency management community. Offsetting these enhancements is a reduction of nearly $5 million in the defense related national network area under the Operations Support activity.

An additional $13 million has been reclassified from the defense related category to the domestic function. This is based on the fact that the entire curriculum offered through the Emergency Management Institute is now directly in support of the agency's multi-hazard approach, as opposed to former courses of study that were offered with a national security or civil defense emphasis. Likewise, the corresponding portion of site expenses are being categorized as domestic funding.

Beginning in 1995, the Department of Housing and Urban Development will administer the Emergency Food and Shelter program currently under FEMA's purview. This transfer is intended to further consolidate within the

Department of Housing and Urban Development the responsibility for coordinating the Federal response to homelessness. An appropriation of $320,000,000 is being requested for the Disaster Relief Fund.

Response and Recovery

This activity provides for the development and maintenance of an operational capability to respond to and recover from the consequences of disasters and emergencies. The 1995 request of 690 workyears and $56,711,000 for Response and Recovery includes funds for more effective interagency Federal response planning, the development of regional response operations plans, and participation in response planning with the individual States.

Preparedness, Training and Exercises

The request for this activity in 1995 totals $171,288,000 and 651 workyears. The programs in this activity provide policy guidance, financial and technical assistance, training and exercise support required to establish or enhance the emergency management capabilities of Federal, State and local governments. Increases will emphasize an aggressive program of exercises, tabletops, and workshops for joint Federal disaster response with the States.

Fire Prevention and Training

Resources of this activity prepare Federal, State, and local officials, their supporting staffs, emergency first responders, volunteer groups, and the public to meet the responsibilities of domestic emergencies through planning, mitigation, preparedness, response and recovery. The 1995 request for this activity is 125 workyears and $31,490,000.

Operations Support

This activity provides direct support and services which address the common needs of all agency programs, such as administration, acquisition, logistics, and information systems. The 1995 request includes 397 workyears and $64,718,000 for Operations Support, a decrease of $4,953,000 from 1994 in FEMA's national networks.

Mitigation Programs

This activity provides for the development and coordination of policies, plans and programs to reduce or eliminate the long-term risk to life and property from natural and technological hazards, such as floods, earthquakes, hurricanes, and dam failures. Of the total request for $95,152,000 and 258 workyears for this activity, $58,453,000 will be reimbursed from the National Flood Insurance Fund. The 1995 directly funded request of $36,699,000 reflects increases to support hurricane and earthquake preparedness programs through training, public education, regional services and implementation of a "seismic safety zone" strategy. The requested increase in workyears will support the earthquake and hurricane initiatives, as well as flood related activities through the community rating system.

Flood Insurance Operations

This activity provides salaries and expenses for oversight and administration of the insurance component of the National Flood Insurance Program. These funds are reimbursed from the National Flood Insurance Fund.

Regional Program Direction

The 1995 request for this activity, $10,260,000 and 115 workyears, will support the direction and program management of the regional offices and provide staff to act as advisor to the Director and Regional Directors on regional activities.

Executive Direction

This activity maintains a family protection program, develops strategies to address congressional and public information issues, evaluates FEMA programs, and provides financial management, legal and personnel services to the Agency. The 1995 request for Executive Direction is 241 workyears and $17,610,000.

Disaster Relief Fund

This fund provides the basis for the President to authorize Federal assistance, in accordance with the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, to individuals and to jurisdictions where a major disaster or emergency has been declared. An appropriation of $320,000,000 is requested for 1995. This requested amount is in accordance with the Dire Emergency Supplemental Appropriations Act, 1992, (P.L. 102-229) which stated that any amounts requested for disaster payments in excess of the lower of $320,000,000 or the President's budget request would be considered as emergency requirements.

Disaster Assistance Direct Loan Program Account

This appropriation provides for administrative and subsidy expenses associated with Direct Loans provided to States to meet the portion of assistance for which the State is responsible under cost-sharing provisions of the Stafford Act. For 1995, FEMA is requesting $2,513,000, of which $95,000 is for administrative expenses and $2,418,000 is for subsidy expenses associated with loan authority of $25,000,000.

Office of the Inspector General

This appropriation provides advice, assistance and oversight on matters relating to economy and efficiency and the prevention and detection of fraud, abuse and mismanagement in Agency programs and operations. For 1995, 70 workyears and $4,500,000 are requested.

Emergency Food and Shelter

Beginning in 1995, the Department of Housing and Urban Development will administer this program as part of a consolidation of homeless-related programs.

National Insurance Development Fund

This fund is the vehicle for funding the Federal Crime Insurance Program, which is currently authorized through September 30, 1995. Six workyears and $2,516,000 in borrowing authority are requested to support this program in 1995.

National Flood Insurance Fund

The National Flood Insurance program enables property owners to purchase flood insurance otherwise unavailable in the commercial market. In return for the availability of insurance, communities agree to adopt and enforce flood plain management measures to reduce loss of life and property from future flooding. The program continues to be self-supporting for the average loss year.

User Fees

In 1995 and years thereafter, FEMA proposes to continue collecting 100 percent of the costs associated with the Radiological Emergency Preparedness Program and will fund the costs of the flood insurance and mitigation programs by charging a processing fee to flood insurance policyholders as authorized by Public Law 101-508.

Appropriations and Outlays

FEDERAL EMERGENCY MANAGEMENT AGENCY
Funding Sources

The Federal Emergency Management Agency (FEMA) was established by the President in Reorganization Plan No. 3 of 1978. The agency operates under statutory and executive authorities to carry out a wide range of program responsibilities for emergency planning, preparedness, response and recovery, and hazard mitigation. Sources and types of funding to carry out the various programs of FEMA include the following:

o **Appropriated Funds:**	Type of Funds
-- Salaries and Expenses (S&E)*	1 year
-- Emergency Management Planning and Assistance (EMPA)*	1 year
-- Inspector General	1 year
-- Disaster Relief	No year**
-- Emergency Food and Shelter	1 year

* These appropriations also receive funds from reimbursements from the National Flood Insurance Fund for Flood Plain Management and administration of the National Flood Insurance Program. One of these programs in EMPA (Purchase of Property) includes two year funds. S&E also receives funds from the Disaster Assistance Direct Loan Program account.

** P.L. 103-75 which provided supplemental funds for the Midwest floods is only available through September 30, 1997, a period of five fiscal years.

o **Revolving Funds** (may also receive appropriations to repay prior borrowing):

-- National Flood Insurance Fund
-- National Insurance Development Fund

o **Trust Funds:**

-- Bequests and Gifts (Disaster Relief)
-- Gifts and Bequests (Fire Administration)

FEDERAL EMERGENCY MANAGEMENT AGENCY
Funding Sources

- **Loan Accounts:**

  - -- Disaster Assistance Direct Loan Program Account (records subsidy and administrative expenses for loans obligated in 1992 and beyond)
  - -- Disaster Assistance Direct Loan Financing Account (records cash flows to and from FEMA as a result of loans obligated in 1992 and beyond)
  - -- Disaster Assistance Direct Loan Liquidating Account (records all loan cash flows for direct loans obligated prior to 1992)

- **Reimbursable Funds (in S&E and EMPA) from other Federal sources:**
  - -- Department of Defense
  - -- General Services Administration
  - -- Department of Transportation
  - -- Various other

FEDERAL EMERGENCY MANAGEMENT AGENCY
Appropriation Overviews

Salaries and Expenses. This appropriation encompasses the salaries and expenses required to provide executive direction and administrative and staff support to FEMA's programs in both the Headquarters and field offices.

Emergency Management Planning and Assistance. This appropriation provides program resources for the following activities: Response and Recovery; Preparedness, Training and Exercises; Mitigation Programs; Fire Prevention and Training; Operations Support; and Executive Direction.

Disaster Relief. From this appropriation, supplementary assistance is provided to individuals and State and local governments in the event of a Presidentially declared emergency or major disaster.

Disaster Assistance Direct Loan Program Account. This appropriation provides administrative and subsidy expenses for disaster assistance direct loans.

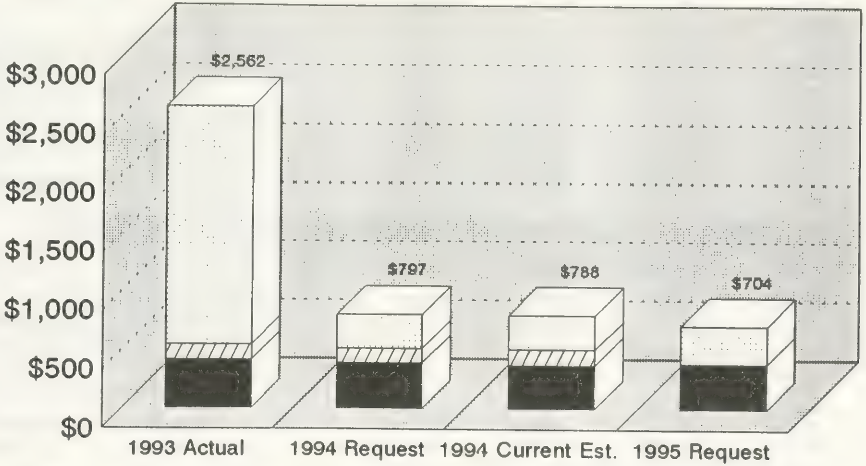
Office of the Inspector General. This appropriation provides agency-wide audit and investigative functions to identify and correct management and administrative deficiencies which create conditions for existing or potential instances of fraud, waste and mismanagement.

Emergency Food and Shelter. This appropriation provides grants to voluntary organizations at the local level to supplement their programs for emergency food and shelter. Beginning in 1995, the Department of Housing and Urban Development will administer this program.

National Insurance Development Fund. This fund is used as the vehicle for funding the Federal Crime Insurance Program. It receives deposits from crime insurance premiums and other receipts.

National Flood Insurance Fund. This fund is used as the funding mechanism for the National Flood Insurance Program, which enables property owners to purchase flood insurance otherwise unavailable in the commercial market. In return for the availability of insurance, communities agree to adopt and enforce flood plain management measures to reduce losses from future flooding.

FEDERAL EMERGENCY MANAGEMENT AGENCY
Comparison of Appropriation Levels
(Dollars in Millions)



	1993 Actual	1994 Request	1994 Current Est.	1995 Request
Disaster Relief/Loans	$2,027	$292	$292	$322
Emerg. Food & Shelter	$129	$123	$130	
Oper. Accts. & IG	$406	$382	$366	$382

Excludes pending 1994 Supplemental for Disaster Relief and Emerg. Mgmt. Plann. & Asst. (Earthquake)

FEDERAL EMERGENCY MANAGEMENT AGENCY
Appropriation and Outlay Summary
(Dollars in Thousands)

APPROPRIATIONS

	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Salaries and Expenses	$159,409	$165,516	$160,409	$168,431	$8,022
Emergency Management Planning and Assistance	253,243	222,960	212,960	220,345	7,385
Disaster Relief Fund	2,027,095	292,000	292,000	320,000	28,000
Disaster Loan Subsidy/Administrative Expenses	95	95	95	2,513	2,418
Office of the Inspector General	4,000	4,800	4,350	4,500	150
Emergency Food and Shelter	129,000	123,000	130,000	...	(130,000)
National Insurance Development Fund	...	...	...	...	...
National Flood Insurance Fund	...	...	...	...	...
Offsetting Receipts – Radiological Emergency Preparedness (REP)	(10,495)	(11,525)	(11,525)	(11,525)	...
TOTAL, APPROPRIATIONS	2,562,347	796,846	788,289	704,264	(84,025)

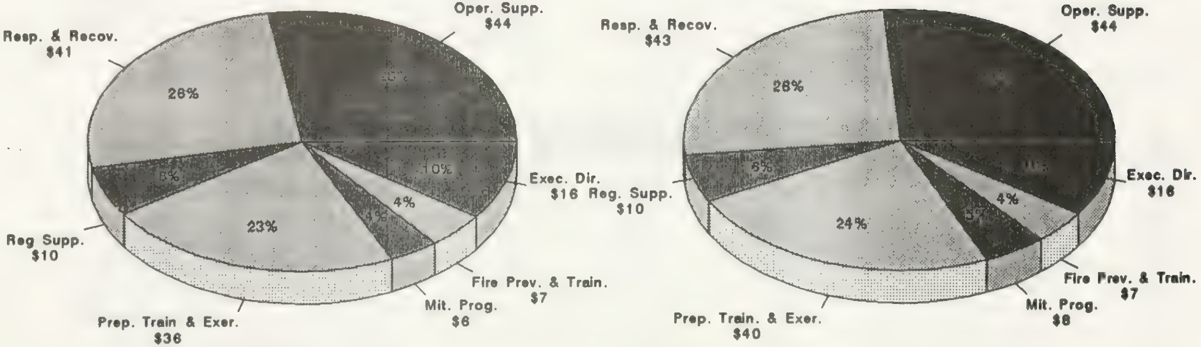
OUTLAYS

	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Salaries and Expenses	170,145	172,406	164,458	172,266	7,808
Emergency Management Planning and Assistance	268,017	256,491	237,718	220,106	(17,612)
Disaster Relief Fund	2,276,216	1,338,886	2,023,873	1,456,417	(567,456)
Disaster Loan Subsidy/Administrative Expenses	7,858	95	5,279	2,513	(2,766)
Office of the Inspector General	3,561	4,720	4,679	4,477	(202)
Emergency Food and Shelter	128,992	123,000	130,004	...	(130,004)
National Insurance Development Fund	112	659	2,211	2,459	248
National Flood Insurance Fund	475,412	(22,654)	104,039	(12,697)	(116,736)
Bequests and Gifts (Disaster Relief)	7	30	30	30	...
Gifts and Bequests (Fire Administration)	1	...	...	...	...
Offsetting Receipts:					...
Disaster Relief – Bequests and Gifts	(65)	(57)	(51)	(57)	(6)
Radiological Emergency Preparedness (REP)	(10,495)	(11,525)	(11,525)	(11,525)	...
TOTAL, OUTLAYS	3,319,761	1,862,051	2,660,715	1,833,989	(826,726)

NOTE: Excludes pending 1994 supplemental requests for Disaster Relief and Emergency Management Planning and Assistance.

Total Budget Authority and Workyears

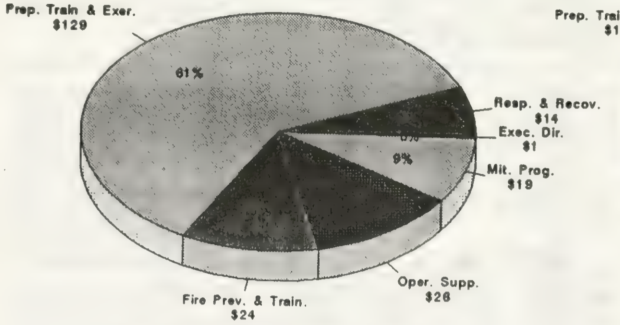
SALARIES AND EXPENSES APPROPRIATION
COMPARISON OF 1994 AND 1995 BUDGET AUTHORITY
(Dollars in Millions)



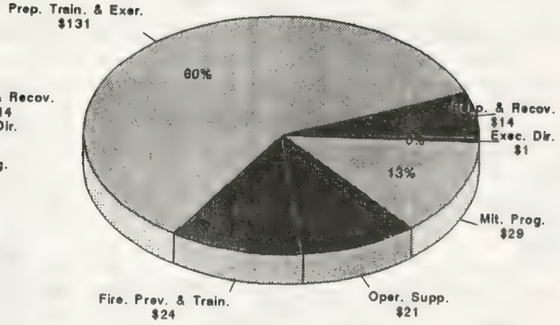
1994 CURRENT ESTIMATE

1995 REQUEST

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
COMPARISON OF 1994 AND 1995 BUDGET AUTHORITY
(Dollars in Millions)



1994 CURRENT ESTIMATE



1995 REQUEST

1994 Current Estimate - $212,960
1995 Request - $220,345
Excludes pending 1994 Supplemental for Disaster Relief and Emerg. Mgmt. Plann. & Asst (Earthquake)

FEDERAL EMERGENCY MANAGEMENT AGENCY
Budget Authority Summary by Program Structure
1995 versus 1994
(Dollars in Thousands)

	1994 Current Estimate				1995 Request				Changes**			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
Response and Recovery	665	$41,179	$13,782	$54,961	690	$42,929	$13,782	$56,711	25	$1,750	...	$1,750
Preparedness, Training and Exercises	601	35,663	128,911	164,574	651	40,077	131,211	171,288	50	4,414	$2,300	6,714
Fire Prevention and Training	125	7,189	24,301	31,490	125	7,189	24,301	31,490	...	...	...	...
Operations Support	397	43,903	25,768	69,671	397	43,903	20,815	64,718	...	...	(4,953)	(4,953)
Mitigation Programs*	232	5,847	18,956	24,803	258	7,705	28,994	36,699	26	1,858	10,038	11,896
Flood Insurance Operations*	54	*	*	*	54	*	*	*	...	*	*	*
Regional Program Direction	115	10,260	...	10,260	115	10,260	...	10,260	...	...	...	...
Executive Direction	241	16,368	1,242	17,610	241	16,368	1,242	17,610	...	...	...	...
TOTAL, FEMA OPERATING ACCOUNTS	2,430	160,409	212,960	373,369	2,531	168,431	220,345	388,776	101	8,022	7,385	15,407
1992 Disaster Supplemental Carryover (S&E)	40			[5,000]	40			[5,000]	...			...
Disaster Relief Fund	...			292,000	...			320,000	...			28,000
Disaster Loan Subsidy/Administrative Expenses	...			95	...			2,513	...			2,418
Office of the Inspector General	70			4,350	70			4,500	...			150
Emergency Food and Shelter	...			130,000	...			...	...			(130,000)
National Insurance Development Fund	6			2,234	6			2,516	...			282
National Flood Insurance Fund	...			3,626	...			...	...			(3,626)
Bequests and Gifts (Disaster Relief)	...			51	...			57	...			6
Offsetting Receipts:												
Disaster Relief – Bequests and Gifts	...			(51)	...			(57)	...			(6)
Radiological Emergency Preparedness (REP)	...			(11,525)	...			(11,525)	...			...
Reimbursable Workyears	70			...	70			...	...			...
TOTAL, FEMA APPROPRIATIONS	2,616			794,149	2,717			706,780	101			(87,369)

*** Excludes the following reimbursements from the National Flood Insurance Fund:**

	S&E	EMPA	TOTAL	S&E	EMPA	TOTAL	S&E	EMPA	TOTAL
Mitigation Programs (Flood Plain Management)	10,083	48,092	58,175	10,361	48,092	58,453	278	...	278
Flood Insurance Operations	3,998	...	3,998	3,998	...	3,998	...	...	...

An additional $4,720,000 is available for obligation for the Purchase of Property program from funds which are available through 9/30/94.

**** Changes to the Operating Accounts are as follows.**

Response and Recovery:
– Implement recommendations of Federal Response Planning Task Force

Preparedness, Training and Exercises:
– Comprehensive exercise program, employee development, hazardous materials exercise and training support to State and local entities, elimination of Emergency Food and Shelter salaries and expenses.

Operations Support:
– Reduction in National Networks

Mitigation Programs:
– Hurricane mitigation response & preparedness planning, training & public education; increased financial assistance to States for earthquake awareness, technology transfer; seismic enterprise zones; community verification activities for the Community Rating System

NOTE: Excludes pending 1994 supplemental request for Disaster Relief and Emergency Management Planning and Assistance (Mitigation Programs).

FEDERAL EMERGENCY MANAGEMENT AGENCY
1995 Request to Congress
Summary of Changes to 1994 Current Estimate by Activity
(Dollars in Thousands)

Activity/1995 Changes to 1994 Current Estimate	WY	S&E	EMPA	TOTAL
RESPONSE AND RECOVERY:				
1994 Current Estimate	665	$41,179	$13,782	$54,961
1995 Requested Changes:				
Implement recommendations of Fed. Resp. Plng. Task Force	25	1,750	...	1,750
1995 REQUEST, RESPONSE AND RECOVERY	690	42,929	13,782	56,711
PREPAREDNESS, TRAINING & EXERCISES:				
1994 Current Estimate	601	35,663	128,911	164,574
1995 Requested Changes:				
Transfer Food & Shelter to HUD: eliminate S&E	(5)	(322)	...	(322)
Employee development	...	886	...	886
Comprehensive exercise program	35	2,450	1,500	3,950
HAZMAT exercise & training support to State and locals	20	1,400	800	2,200
Subtotal, Changes	50	4,414	2,300	6,714
1995 REQUEST, PREPAREDNESS, TRAINING & EXERCISES	651	40,077	131,211	171,288
FIRE PREVENTION AND TRAINING:				
1994 Current Estimate	125	7,189	24,301	31,490
1995 Requested Changes: None	...	...	...	...
1995 REQUEST, FIRE PREVENTION & TRAINING	125	7,189	24,301	31,490
OPERATIONS SUPPORT:				
1994 Current Estimate	397	43,903	25,768	69,671
1995 Requested Changes:				
Reduction in National Networks	...	...	(4,953)	(4,953)
1995 REQUEST, OPERATIONS SUPPORT	397	43,903	20,815	64,718

FEDERAL EMERGENCY MANAGEMENT AGENCY
1995 Request to Congress
Summary of Changes to 1994 Current Estimate by Activity
(Dollars in Thousands)

Activity/1995 Changes to 1994 Current Estimate	WY	S&E	EMPA	TOTAL
MITIGATION PROGRAMS:				
1994 Current Estimate	232	$15,930	$67,048	$82,978
1995 Requested Changes:				
Hurricane: emphasis on mitigation, response & preparedness planning, training, & public education	11	1,060	6,038	7,098
Earthquake: Increase financial assistance to States to develop & deliver programs of awareness, technology transfer, focusing on mitigation strategies and regional services	5	252	1,500	1,752
Implement "seismic enterprise zones" strategy	5	546	2,500	3,046
Community verification activities for Community Rating System	5	278	...	278
Subtotal, Changes	26	2,136	10,038	12,174
Less Reimbursements from National Flood Insurance Fund	...	(10,361)	(48,092)	(58,453)
1995 REQUEST, MITIGATION PROGRAMS	258	7,705	28,994	36,699
FLOOD INSURANCE OPERATIONS:				
1994 Current Estimate	54	3,998	...	3,998
1995 Requested Changes: None	...	...	...	...
Less Reimbursements from National Flood Insurance Fund	...	(3,998)	...	(3,998)
1995 REQUEST, FLOOD INSURANCE OPERATIONS	54	...	...	...
REGIONAL PROGRAM DIRECTION:				
1994 Current Estimate	115	10,260	...	10,260
1995 Requested Changes: None	...	...	...	...
1995 REQUEST, REGIONAL PROGRAM DIRECTION	115	10,260	...	10,260
EXECUTIVE DIRECTION:				
1994 Current Estimate	241	16,368	1,242	17,610
1995 Requested Changes: None	...	...	...	...
1995 REQUEST, EXECUTIVE DIRECTION	241	16,368	1,242	17,610
TOTAL 1995 REQUEST, OPERATING ACCOUNTS	2,531	168,431	220,345	388,776

FEDERAL EMERGENCY MANAGEMENT AGENCY
1995 Request to Congress
Summary of Changes to 1994 Current Estimate by Activity
(Dollars in Thousands)

Activity/1995 Changes to 1994 Current Estimate	WY	S&E	EMPA	TOTAL
1992 DISASTER SUPPLEMENTAL CARRYOVER:				
1994 Current Estimate	40			[$5,000]
1995 Requested Changes: None	...			...
1995 REQUEST, DISASTER SUPPLEMENTAL CARRYOVER	40			[5,000]
DISASTER RELIEF:				
1994 Current Estimate	...			292,000
1995 Requested Changes:				
Increase to $320 million level cited in the Dire Emergency Supplemental Appropriations Act, 1992	...			28,000
1995 REQUEST, DISASTER RELIEF	...			320,000
DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT:				
1994 Current Estimate	...			95
1995 Requested Changes:				
Subsidy at 9.67% of $25 million loan authority	...			2,418
1995 REQUEST, ADMINISTRATIVE EXPENSES/SUBSIDY	...			2,513
OFFICE OF INSPECTOR GENERAL:				
1994 Current Estimate	70			4,350
1995 Requested Changes:				
Increase focus on internal audits	...			150
1995 REQUEST, OFFICE OF INSPECTOR GENERAL	70			4,500
EMERGENCY FOOD AND SHELTER:				
1994 Current Estimate	...			130,000
1995 Requested Changes:				
Transfer program to HUD	...			(130,000)
1995 REQUEST, EMERGENCY FOOD AND SHELTER	...			...

FEDERAL EMERGENCY MANAGEMENT AGENCY
1995 Request to Congress
Summary of Changes to 1994 Current Estimate by Activity
(Dollars in Thousands)

Activity/1995 Changes to 1994 Current Estimate	WY	S&E	EMPA	TOTAL
NATIONAL INSURANCE DEVELOPMENT FUND:				
1994 Current Estimate	6			$2,234
1995 Requested Changes:				
Adjustments	...			282
1995 REQUEST, NATIONAL INSURANCE DEVELOPMENT FUND	6			2,516
NATIONAL FLOOD INSURANCE FUND:				
1994 Current Estimate	...			3,626
1995 Requested Changes:				
Adjustments	...			(3,626)
1995 REQUEST, NATIONAL FLOOD INSURANCE FUND	...			...
OFFSETTING RECEIPTS: RADIOLOGICAL EMERG. PREP. (REP)				
1994 Current Estimate	...			(11,525)
1995 Requested Changes: None	...			...
1995 REQUEST, OFFSETTING RECEIPTS – REP	...			(11,525)
REIMBURSABLE WORKYEARS:				
1994 Current Estimate	70			...
1995 Requested Changes: None	...			...
1995 REQUEST, REIMBURSABLE WORKYEARS	70			...
TOTAL, 1995 REQUEST FOR FEMA	2,717			706,780

FEDERAL EMERGENCY MANAGEMENT AGENCY
1995 Request to Congress
(Dollars in Thousands)

ACTIVITY/APPROPRIATION	1993 Actual Obligations				1994 Request to Congress				1994 Current Estimate				1995 Request				Dif. (1995 Req. vs. 1994 Cur. Est.)			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
Response and Recovery	694	$45,524	$23,068	$68,592	701	$44,127	$17,836	$61,963	665	$41,179	$13,782	$54,961	690	$42,929	$13,782	$56,711	25	$1,750	—	$1,750
Preparedness, Training & Exercises	591	32,825	134,180	167,005	602	37,757	123,447	161,204	601	35,663	128,911	164,574	651	40,077	131,211	171,288	50	4,414	2,300	6,714
Fire Prevention and Training (USFA)	120	6,973	24,328	31,301	125	7,107	24,301	31,408	125	7,189	24,301	31,490	125	7,189	24,301	31,490	...	...	...	...
Operations Support	414	41,631	49,955	91,586	432	44,097	37,270	81,367	397	43,903	25,768	69,671	397	43,903	20,815	64,718	...	...	(4,953)	(4,953)
Mitigation Programs	231	15,314	62,248	77,562	232	15,789	66,048	81,837	232	15,930	67,048	82,978	258	18,066	77,086	95,152	26	2,136	10,038	12,174
Less Reimbursement from Nat'l Flood Ins. Fund	—	(9,568)	(44,154)	(53,722)	—	(10,083)	(48,092)	(58,175)	—	(10,083)	(48,092)	(58,175)	—	(10,361)	(48,092)	(58,453)	—	(278)	—	(278)
Subtotal, Mitigation Programs	231	5,746	18,094	23,840	232	5,706	17,956	23,662	232	5,847	18,956	24,803	258	7,705	28,994	36,699	26	1,858	10,038	11,896
Flood Insurance Operations	54	4,268	...	4,268	54	3,998	...	3,998	54	3,998	..	3,998	54	3,998	...	3,998	...	...	...	...
Less Reimbursement from Nat'l Flood Ins. Fund	—	(4,268)	—	(4,268)	—	(3,998)	—	(3,998)	—	(3,998)	—	(3,998)	—	(3,998)	—	(3,998)	—	—	—	—
Subtotal, Flood Insurance Operations	54	...	...	.	54	...	...	..	54	...	..	..	54	...			...	...	...	...
Regional Program Direction	102	9,705	..	9,705	120	10,298	.	10,298	115	10,260	...	10,260	115	10,260		10,260	...	...	...	...
Executive Direction	213	15,206	1,557	16,763	247	16,424	2,150	18,574	241	16,368	1,242	17,610	241	16,368	1,242	17,610	—	—	—	—
TOTAL, Operating Accounts	2,419	157,610	251,182	408,792	2,513	165,516	222,960	388,476	2,430	160,409	212,960	373,369	2,531	168,431	220,345	388,776	101	8,022	7,385	15,407
Defense Related (054)	1,212	69,616	197,522	267,138	1,204	73,813	167,677	241,490	1,131	67,941	154,435	222,376	1,071	64,572	139,932	204,504	(60)	(3,369)	(14,503)	(17,872)
Disaster Relief and Insurance (Domestic – 453)	1,207	87,994	53,660	141,654	1,309	91,703	55,283	146,986	1,299	92,468	58,525	150,993	1,460	103,859	80,413	184,272	161	11,391	21,888	33,279
1992 Disaster Supplemental Carryover (S&E)	...			...	...			...	40			[5,000]	40			[5,000]	...			...
Disaster Relief Fund	...			2,553,904	...			292,000				292,000	...			320,000	...			28,000
Disaster Loan Subsidy/Administrative Expenses	...			10,169	...			95	...			95	...			2,513	...			2,418
Inspector General	55			3,973	70			4,800	70			4,350	70			4,500	...			150
Emergency Food and Shelter	...			128,992	...			123,000	.			130,000	...				...			(130,000)
National Insurance Development Fund	6			2,120	6			642	6			2,234	6			2,516	...			282
National Flood Insurance Fund	...			...	..			...				3,626	...			...	...			(3,626)
Bequests and Gifts (Disaster Relief)	..			65	.			57	..			51	..			57	...			6
Offsetting Receipts:																				
Disaster Relief – Bequests and Gifts	.			(65)	.			(57)	.			(51)	...			(57)	...			(6)
Radiological Emergency Preparedness (REP)	..			(10,495)	..			(11,525)	...			(11,525)				(11,525)	..			—
Reimbursable Workyears	101			—	88			—	70			—	70			—	—			—
TOTAL, FEMA	2,581			3,097,455	2,677			797,488	2,616 *			794,149	2,717			706,780	101			(87,369)

*Authorized workyear ceiling of 2,677 per E.O. 12839, "Reduction of 100,000 Federal Positions".

NOTE: Excludes pending 1994 supplemental request for Disaster Relief and Emergency Management Planning and Assistance (Mitigation Programs)

Obligations and Object Classes

FEDERAL EMERGENCY MANAGEMENT AGENCY
Obligations Summary
(Dollars in Thousands)

OBLIGATIONS

	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Salaries and Expenses	$157,610	$165,516	$165,667	$173,431	$7,764
Emergency Management Planning and Assistance	251,182	222,960	212,960	220,345	7,385
Disaster Relief Fund	2,553,904	687,004	1,517,000	950,000	(567,000)
Disaster Loan Subsidy/Administrative Expenses	10,169	95	95	2,513	2,418
Office of the Inspector General	3,973	4,800	4,350	4,500	150
Emergency Food and Shelter	128,992	123,000	130,000	...	(130,000)
National Insurance Development Fund	7,283	7,525	6,897	6,800	(97)
National Flood Insurance Fund	1,268,497	848,561	790,488	837,108	46,620
TOTAL, OBLIGATIONS	4,381,610	2,059,461	2,827,457	2,194,697	(632,760)

FEDERAL EMERGENCY MANAGEMENT AGENCY
SALARIES AND EXPENSES
(Dollars in Thousands)

		1993 Actual 1/	1994 Request	1994 Current Estimate 1/ 2/	1995 Request 2/	Increase/ Decrease
Personnel Compensation						
11.1	Full-time permanent	$97,722	$101,863	$107,280	$112,020	$4,740
11.3	Other than full-time permanent	2,292	117	67	102	35
11.5	Other personnel compensation	3,148	1,153	89	89	...
11.8	Special personal services payments	...	...	...	...	...
11.9	Total personnel compensation	103,162	103,133	107,436	112,211	4,775
Personnel Benefits						
12.1	Civilian personnel	19,768	21,183	23,615	24,728	1,113
12.2	Military personnel	...	...	...	...	...
13.0	Benefits for former personnel	...	...	...	...	...
Non-personnel Costs						
21.0	Travel and transportation of persons	3,505	9,876	5,208	6,200	992
22.0	Transportation of things	161	340	175	185	10
23.1	Rental payments to GSA	12,619	12,619	13,545	13,870	325
23.2	Rental payments to others	201	80	128	128	...
23.3	Communications, utilities, and miscellaneous charges	3,279	4,577	3,967	3,638	(329)
24.0	Printing and reproduction	399	462	296	296	...
25.1	Consulting services	42	...	10	71	61
25.2	Other services	6,213	7,875	7,583	7,970	387
25.3	Purchases of goods and services from Government accounts	2,657	1,001	1,648	1,652	4
25.4	Operation of GOCOs	...	...	...	...	...
25.5	Research and development contracts	253	...	...	...	...
26.0	Supplies and materials	1,411	1,012	1,159	1,076	(83)
31.0	Equipment	3,937	3,358	897	1,406	509
32.0	Land and structures	3	...	...	...	...
33.0	Investments and loans	...	...	...	...	...
41.0	Grants, subsidies, and contributions	...	...	...	...	...
42.0	Insurance claims and indemnities	...	...	...	...	...
43.0	Interest and dividends	...	...	...	...	...
Total Obligations		157,610	165,516	165,667	173,431	7,764

1/ Includes carryover of $258,000 in the Earthquake program.
2/ Includes $5 million carryover from 1992 disaster supplemental.

FEDERAL EMERGENCY MANAGEMENT AGENCY
EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
(Dollars in Thousands)

		1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation						
11.1	Full-time permanent	...	...	...	...	...
11.3	Other than full-time permanent	...	...	...	...	...
11.5	Other personnel compensation	...	...	...	...	...
11.8	Special personal services payments	...	...	...	...	...
11.9	Total personnel compensation	...	...	...	...	...
Personnel Benefits						
12.1	Civilian personnel	...	...	...	...	...
12.2	Military personnel	...	...	...	...	...
13.0	Benefits for former personnel	...	...	...	...	...
Non-personnel Costs						
21.0	Travel and transportation of persons	...	...	...	...	...
22.0	Transportation of things	$148	$53	$193	$193	...
23.1	Rental payments to GSA	...	...	...	...	...
23.2	Rental payments to others	...	...	...	...	...
23.3	Communications, utilities, and miscellaneous charges	21,289	26,327	22,300	17,319	($4,981)
24.0	Printing and reproduction	2,776	2,637	3,379	3,501	122
25.1	Consulting services	2,301	3,731	820	820	...
25.2	Other services	48,644	41,385	48,458	54,050	5,592
25.3	Purchases of goods and services from Government accounts	39,936	20,922	12,274	12,399	125
25.4	Operation of GOCOs	...	...	...	...	...
25.5	Research and development contracts	3,143	750	100	300	200
26.0	Supplies and materials	4,527	3,250	2,970	2,977	7
31.0	Equipment	5,493	8,100	1,059	1,184	125
32.0	Land and structures	6,311	5,450	4,464	4,464	...
33.0	Investments and loans	...	...	...	...	...
41.0	Grants, subsidies, and contributions	116,614	110,355	116,943	123,138	6,195
42.0	Insurance claims and indemnities	...	...	...	...	...
43.0	Interest and dividends	...	...	...	...	...
Total Obligations		251,182	222,960	212,960	220,345	7,385

DISASTER RELIEF FUND
(Dollars in Thousands)

		1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation						
11.1	Full-time permanent	...	...	...	...	...
11.3	Other than full-time permanent	$36,573	$10,168	$22,481	$14,078	($8,403)
11.5	Other personnel compensation	19,706	...	12,113	7,586	(4,527)
11.8	Special personal services payments	...	...	...	...	...
11.9	Total personnel compensation	56,279	10,168	34,594	21,664	(12,930)
Personnel Benefits						
12.1	Civilian personnel	4,148	756	2,550	1,597	(953)
12.2	Military personnel	...	...	...	...	...
13.0	Benefits for former personnel	...	275	...	...	...
Non-personnel Costs						
21.0	Travel and transportation of persons	46,838	10,924	28,790	18,030	(10,760)
22.0	Transportation of things	1,601	687	984	616	(368)
23.1	Rental payments to GSA	558	...	343	215	(128)
23.2	Rental payments to others	12,429	...	7,640	4,784	(2,856)
23.3	Communications, utilities, and miscellaneous charges	12,745	4,397	7,834	4,906	(2,928)
24.0	Printing and reproduction	1,159	412	712	446	(266)
25.1	Consulting services	1,090	5,840	670	420	(250)
25.2	Other services	466,629	164,307	153,580	96,175	(57,405)
25.3	Purchases of goods and services from Government accounts	40,499	$25,000	24,897	15,591	(9,306)
25.4	Operation of GOCOs	...	...	...	...	...
25.5	Research and development contracts	236	100	145	91	(54)
26.0	Supplies and materials	5,234	2,061	3,217	2,015	(1,202)
31.0	Equipment	62,148	11,130	38,201	23,923	(14,278)
32.0	Land and structures	4	...	2	2	...
33.0	Investments and loans	...	...	...	...	...
41.0	Grants, subsidies, and contributions	1,842,307	450,947	1,212,841	759,525	(453,316)
42.0	Insurance claims and indemnities	...	...	...	...	...
43.0	Interest and dividends	...	...	...	...	...
Total Obligations		2,553,904	687,004	1,517,000	950,000	(567,000)

DISASTER ASSISTANCE DIRECT LOAN
(Dollars in Thousands)

		1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation						
11.1	Full-time permanent	...	...	...	...	...
11.3	Other than full-time permanent	...	...	...	...	...
11.5	Other personnel compensation	...	...	...	...	...
11.8	Special personal services payments	...	...	...	...	...
11.9	Total personnel compensation	...	...	...	...	...
Personnel Benefits						
12.1	Civilian personnel	...	...	...	...	...
12.2	Military personnel	...	...	...	...	...
13.0	Benefits for former personnel	...	...	...	...	...
Non-personnel Costs						
21.0	Travel and transportation of persons	...	...	...	...	...
22.0	Transportation of things	...	...	...	...	...
23.1	Rental payments to GSA	...	...	...	...	...
23.2	Rental payments to others	...	...	...	...	...
23.3	Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0	Printing and reproduction	...	...	...	...	...
25.1	Consulting services	...	...	...	...	...
25.2	Other services	$95	...	$95	$95	...
25.3	Purchases of goods and services from Government accounts	...	...	...	...	...
25.4	Operation of GOCOs	...	...	...	...	...
25.5	Research and development contracts	...	...	...	...	...
26.0	Supplies and materials	...	...	...	...	...
31.0	Equipment	...	...	...	...	...
32.0	Land and structures	...	...	...	...	...
33.0	Investments and loans	...	...	...	...	...
41.0	Grants, subsidies, and contributions	10,074 1/	...	...	2,418	$2,418
42.0	Insurance claims and indemnities	...	$95	...	...	...
43.0	Interest and dividends					
Total Obligations		10,169	95	95	2,513	2,418

1/ Carryover from 1992 supplemental.

INSPECTOR GENERAL
(Dollars in Thousands)

		1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation						
11.1	Full−time permanent	$2,929	$3,712	$3,339	$3,473	$134
11.3	Other than full−time permanent	142	...	...	...	...
11.5	Other personnel compensation	76	...	...	...	...
11.8	Special personal services payments	...	...	...	...	...
11.9	Total personnel compensation	3,147	3,712	3,339	3,473	134
Personnel Benefits						
12.1	Civilian personnel	530	586	578	594	134
12.2	Military personnel	...	...	...	...	...
13.0	Benefits for former personnel	...	...	...	...	...
Non−personnel Costs						
21.0	Travel and transportation of persons	181	270	350	350	...
22.0	Transportation of things	...	...	...	...	...
23.1	Rental payments to GSA	...	...	...	...	...
23.2	Rental payments to others	...	...	...	...	...
23.3	Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0	Printing and reproduction	3	...	3	3	...
25.1	Consulting services	1	160	7	7	...
25.2	Other services	99	37	43	43	...
25.3	Purchases of goods and services from Government accounts	...	...	...	...	...
25.4	Operation of GOCOs	...	...	...	...	...
25.5	Research and development contracts	...	...	...	...	...
26.0	Supplies and materials	12	15	10	10	...
31.0	Equipment	...	20	20	20	...
32.0	Land and structures	...	...	...	...	...
33.0	Investments and loans	...	...	...	...	...
41.0	Grants, subsidies, and contributions	...	...	...	...	...
42.0	Insurance claims and indemnities	...	...	...	...	...
43.0	Interest and dividends	...	...	...	...	...
Total Obligations		3,973	4,800	4,350	4,500	150

EMERGENCY FOOD AND SHELTER
(Dollars in Thousands)

		1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation						
11.1	Full-time permanent	...	...	...	...	...
11.3	Other than full-time permanent	...	...	...	...	...
11.5	Other personnel compensation	...	...	...	...	...
11.8	Special personal services payments	...	...	...	...	...
11.9	Total personnel compensation	...	...	...	...	...
Personnel Benefits						
12.1	Civilian personnel	...	...	...	...	...
12.2	Military personnel	...	...	...	...	...
13.0	Benefits for former personnel	...	...	...	...	...
Non-personnel Costs						
21.0	Travel and transportation of persons	...	...	...	...	...
22.0	Transportation of things	...	...	...	...	...
23.1	Rental payments to GSA	...	...	...	...	...
23.2	Rental payments to others	...	...	...	...	...
23.3	Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0	Printing and reproduction	...	...	...	...	...
25.1	Consulting services	...	...	...	...	...
25.2	Other services	...	...	...	...	...
25.3	Purchases of goods and services from Government accounts	...	...	...	...	...
25.4	Operation of GOCOs	...	...	...	...	...
25.5	Research and development contracts	...	...	...	...	...
26.0	Supplies and materials	...	...	...	...	...
31.0	Equipment	...	...	...	...	...
32.0	Land and structures	...	...	...	...	...
33.0	Investments and loans	...	...	...	...	...
41.0	Grants, subsidies, and contributions	$128,992	$123,000	$130,000	...	($130,000)
42.0	Insurance claims and indemnities	...	...	...	...	...
43.0	Interest and dividends	...	...	...	...	...
Total Obligations		128,992	123,000	130,000	...	(130,000)

NATIONAL INSURANCE DEVELOPMENT FUND
(Dollars in Thousands)

	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation					
11.1 Full–time permanent	$374	$365	$376	$387	$11
11.3 Other than full–time permanent	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	374	365	376	387	11
Personnel Benefits					
12.1 Civilian personnel	48	63	52	58	6
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non–personnel Costs					
21.0 Travel and transportation of persons	7	20	20	20	...
22.0 Transportation of things	...	...	...	...	...
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0 Printing and reproduction	...	...	...	...	...
25.1 Consulting services	...	...	...	...	...
25.2 Other services	2,225	1,898	2,203	2,182	(21)
25.3 Purchases of goods and services from Government accounts	...	...	...	...	...
25.4 Operation of GOCOs	...	...	...	...	...
25.5 Research and development contracts	...	...	...	...	...
26.0 Supplies and materials	...	...	...	...	...
31.0 Equipment	...	...	...	...	...
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies, and contributions	...	...	...	...	...
42.0 Insurance claims and indemnities	4,581	4,801	3,762	3,521	(241)
43.0 Interest and dividends	48	378	484	632	148
Total Obligations	7,283	7,525	6,897	6,800	(97)

NATIONAL FLOOD INSURANCE FUND
(Dollars in Thousands)

		1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation						
11.1	Full–time permanent	$10,040	$10,800	$10,359	$10,574	$215
11.3	Other than full–time permanent	392	...	350	350	...
11.5	Other personnel compensation	223	...	200	200	...
11.8	Special personal services payments	...	...	...	...	...
11.9	Total personnel compensation	10,655	10,800	10,909	11,124	215
Personnel Benefits						
12.1	Civilian personnel	1,857	1,900	1,948	1,980	32
12.2	Military personnel	...	...	...	...	...
13.0	Benefits for former personnel	...	...	...	...	...
Non–personnel Costs						
21.0	Travel and transportation of persons	798	850	843	866	23
22.0	Transportation of things	4	...	...	...	...
23.1	Rental payments to GSA	...	...	...	...	...
23.2	Rental payments to others	...	...	...	...	...
23.3	Communications, utilities, and miscellaneous charges	808	...	...	...	...
24.0	Printing and reproduction	916	2,500	1,930	2,500	570
25.1	Consulting services	29,461	29,392	29,392	29,392	...
25.2	Other services	230,350	296,897	278,189	293,730	15,541
25.3	Purchases of goods and services from Government accounts	4,306	...	4,300	4,300	...
25.4	Operation of GOCOs	...	...	...	...	...
25.5	Research and development contracts	...	...	...	...	...
26.0	Supplies and materials	...	...	...	...	...
31.0	Equipment	160	...	...	...	...
32.0	Land and structures	331	...	...	...	...
33.0	Investments and loans	...	...	...	...	...
41.0	Grants, subsidies, and contributions	4,276	4,200	4,200	4,200	...
42.0	Insurance claims and indemnities	984,575	502,022	455,105	461,696	6,591
43.0	Interest and dividends	...	...	3,672	10,542	6,870
Total Obligations		1,268,497	848,561	790,488	820,330	29,842

1995 Budget Structure Changes

FEDERAL EMERGENCY MANAGEMENT AGENCY
Explanation of 1995 Structure Changes

Response and Recovery. This new activity consolidates the resources of the Agency devoted to building a capability to respond to any emergency or disaster and to assist in recovery efforts from such events. Federal response planning, national security planning, and maintenance and deployment of FEMA's Mobile Emergency Response Support (MERS) detachments and the Mobile Air Transportable Telecommunications System (MATTS) are carried out under this activity, as well as administration of the Disaster Relief Fund.

Operations Support. This activity includes many of the Agency-wide support elements such as procurement, security, and various administrative services and incorporates resources for the operation and maintenance of emergency networks, situation assessment systems, information systems and engineering services.

Preparedness, Training and Exercises. FEMA's varied efforts in the preparedness and exercise arenas are centralized under this new activity, as are the majority of agency training initiatives. The co-existence of training and exercises under one organizational and budget element will further the Agency's efforts to adequately prepare the Federal, State and local principals involved in any disaster related response, regardless of its cause.

Mitigation Programs. Because the furtherance of mitigation strategies is high on FEMA's priority list, this new activity has been formed to integrate and emphasize our earthquake, flood, and other natural hazards mitigation programs.

Flood Insurance Operations. This was formerly identified as Insurance Activities under the Flood Mitigation and Insurance activity. Resources provide oversight and administration of the insurance component of the National Flood Insurance Program.

Fire Prevention and Training. This activity includes all of the programs formerly included in the Fire Prevention and Hazard Mitigation activity (i.e., the United States Fire Administration and the National Fire Academy), with the exception of the training and exercise resources associated with the hazardous materials program and Title III of the Superfund Amendments and Reauthorization Act. Additionally, all agency resources to support the administration of the National Emergency Training Center are now consolidated under this activity.

Executive Direction. This new activity is composed of programs previously part of Management and Administration, such as the Director's Office, Human Resources Management, Emergency Information and Public Affairs, Congressional and Governmental Affairs, Financial Management, and General Counsel, and includes a new office of Policy and Assessment.

FEDERAL EMERGENCY MANAGEMENT AGENCY BUDGET RESTRUCTURE CROSSWALK
(DOLLARS IN THOUSANDS)

1994 STRUCTURE	1995 Request WY	 S&E	 EMPA	 TOTAL
I. FEDERAL PLANNING AND RESPONSE				
A. Emergency Planning and Readiness				
1. Response Plng & Exercises	39	$2,499	$1,282	$3,781
2. Preparedness and Capabilities	83	4,909	2,285	7,194
Subtotal, Emergency Planning and Readiness	122	7,408	3,567	10,975
B. Emergency Response				
1. Warning and Coordination	38	2,126	599	2,725
2. Situation Assessment	19	1,343	500	1,843
3. Emergency Field Response	271	16,325	3,105	19,430
Subtotal, Emergency Response	328	19,794	4,204	23,998
C. Emergency Support Services				
1. Engineering Services	24	1,546	1,320	2,866
2. National Networks	199	12,123	16,974	29,097
3. Logistics and Operations	214	12,704	7,527	20,231
Subtotal, Emergency Support Services	437	26,373	25,821	52,194
D. National Security	15	864	5,157	6,021
TOTAL, FEDERAL PLANNING AND RESPONSE	902	54,439	38,749	93,188

1995 PROPOSED STRUCTURE	1995 Request WY	 S&E	 EMPA	 TOTAL
RESPONSE AND RECOVERY				
From the following:				
I. A. 1. Resp. Plng. & Exercises (partial)	30	$1,947	$782	$2,729
I. A. 2. Prep. & Capabil. (partial)	35	1,974	724	2,698
I. B. 1. Warn. & Coord (all)	38	2,126	599	2,725
I. B. 3. Emerg. Field Resp. (MERS/MATTS) (partial)	282	15,831	2,297	18,128
I. C. 3. Logistics & Ops. (MERS log.) (partial)	6	326	4,223	4,549
I. D. National Security (all)	15	864	5,157	6,021
Subtotal, from Fed. Plng. & Response	386	23,068	13,782	36,850
VIII. Disaster Assistance (partial)	304	19,861	0	19,861
TOTAL, RESPONSE AND RECOVERY	690	42,929	13,782	56,711
OPERATIONS SUPPORT				
From the following:				
I. A. 2. Prep. & Capabil. (Acq. Mgmt., Security)(partial)	9	540	653	1,193
I. B. 2. Situation Assessment (all)	19	1,343	500	1,843
I. B. 3. Emerg. Field Resp. (IPS O&M, safety officer) (part).	9	494	808	1,302
I. C. 1. Engineering Services (all)	24	1,546	1,320	2,866
I. C. 2. National Networks (all)	199	12,123	16,974	29,097
I. C. 3. Logistics & Ops. (log. mgmt.) (partial)	7	1,800	560	2,360
Subtotal, from Fed. Plng. & Response	267	17,846	20,815	38,661
X. D. 2. Acquisition Mgmt. (all)	31	1,956	0	1,956
X. D. 3. Administrative Support (all)	64	3,252	0	3,252
X. D. 5. Security Management (all)	10	1,188	0	1,188
X. D. 6. Rental Charges (all)	0	12,345	0	12,345
X. D. 7. Other Administrative (all)	0	3,321	0	3,321
X. F. 1. Info. Sys. (all)	25	1,837	0	1,837
X. F. 2. Administrative Telephones (all)	0	2,073	0	2,073
X. F. 3. Office Automation (all)	0	85	0	85
Subtotal, from Management & Administration	130	26,057	0	26,057
TOTAL, OPERATIONS SUPPORT	397	43,903	20,815	64,718

FEDERAL EMERGENCY MANAGEMENT AGENCY BUDGET RESTRUCTURE CROSSWALK
(DOLLARS IN THOUSANDS)

	1995 Request					1995 Request			
1994 STRUCTURE	WY	S&E	EMPA	TOTAL	1995 PROPOSED STRUCTURE	WY	S&E	EMPA	TOTAL
II. STATE & LOCAL PLANNING AND RESPONSE					**PREPAREDNESS, TRAINING AND EXERCISES**				
A. Emergency Planning and Response					From the following:				
1. Emergency Management Assistance	26	$1,397	$70,628	$72,025	I. A. 1. Resp. Plng. & Exercises (exercises)(partial)	9	$552	$500	$1,052
2. Other State and Local Assistance	78	4,577	19,793	24,370	I. A. 2. Prep. & Capabil. (mob. prep. & exercises) (partial)	39	2,395	908	3,303
3. Emergency Facilities and Equipment	65	4,159	10,762	14,921	I. C 3. Logistics & Ops. (SF) (partial)	201	10,578	2,744	13,322
Subtotal, Emergency Planning and Response	169	10,133	101,183	111,316	Subtotal, from Fed. Plng. & Response	249	13,525	4,152	17,677
					II. A. 1. Emerg. Mgmt. Assistance (all)	26	1,397	70,628	72,025
					II. A. 2. Other State & Local Assist. (partial)	78	4,577	19,793	24,370
					II. A. 3. Emerg. Facilities & Equip. (all)	65	4,159	10,762	14,921
B. Instructional Programs and Systems	60	3,369	9,550	12,919	II. B. Instructional Progs. & Sys. (partial)	47	2,971	7,779	10,750
					Subtotal, from S&L Plng. & Response	216	13,104	108,962	122,066
TOTAL, STATE AND LOCAL PLANNING AND RESPONSE	229	13,502	110,733	124,235					
					VI. A. Radiological Emerg. Prep. (all)	90	5,914	5,611	11,525
					IV. B. Instruction Progs. & Sys. (all)	54	3,328	10,186	13,514
					IV. C. Fed. Response Trng. (all)	35	2,600	2,300	4,900
					Subtotal, from Emerg. Mgmt. Training	89	5,928	12,486	18,414
					VIII. Disaster Assistance (DPIG)(partial)	1	60	0	60
					IX. Emergency Food & Shelter (all)	0	0	0	0
					X. D. 4. Human Resource Mgmt. (employee trng.) (partial)	6	1,546	0	1,546
					TOTAL, PREPAREDNESS, TRAINING AND EXERCISES	651	40,077	131,211	171,288

FEDERAL EMERGENCY MANAGEMENT AGENCY BUDGET RESTRUCTURE CROSSWALK
(DOLLARS IN THOUSANDS)

	1995 Request			
1994 STRUCTURE	WY	S&E	EMPA	TOTAL
III. FIRE PREVENTION AND HAZARD MITIGATION				
A. NETC Site Administration	22	$1,681	$7,962	$9,643
B. Fire and Hazard Mitigation	30	2,008	8,120	10,128
C. Instructional Programs and Systems	60	3,102	5,699	8,801
TOTAL, FIRE PREVENTION AND HAZARD MITIGATION	112	6,791	21,781	28,572
IV. EMERGENCY MANAGEMENT TRAINING				
A. NETC Site Administration	0	0	749	749
B. Instructional Programs and Systems	54	3,328	10,186	13,514
C. Federal Response Training	35	2,600	2,300	4,900
TOTAL, EMERGENCY MANAGEMENT TRAINING	89	5,928	13,235	19,163
V. EARTHQUAKE AND OTHER NATURAL HAZARDS				
A. National Earthquake Program	55	4,571	20,430	25,001
B. Hurricane/Dam Safety/Other Activities	34	2,484	8,564	11,048
TOTAL, EARTHQUAKE AND OTHER NATURAL HAZARDS	89	7,055	28,994	36,049
VI. TECHNOLOGICAL HAZARDS				
A. Radiological Emergency Preparedness	90	5,914	5,611	11,525
TOTAL, TECHNOLOGICAL HAZARDS	90	5,914	5,611	11,525
VII. FLOOD MITIGATION AND INSURANCE				
A. Flood Plain Management	159	10,361	48,092	58,453
B. Insurance Activities	54	3,998	0	3,998
Subtotal, Flood Mitigation and Insurance	213	14,359	48,092	62,451
Less Fees from Policyholders	0	(14,359)	(48,092)	(62,451)
TOTAL, FLOOD MITIGATION AND INSURANCE	213	0	0	0
VIII. DISASTER ASSISTANCE	315	20,571	0	20,571
IX. EMERGENCY FOOD AND SHELTER (S&E)	0	0	0	0

	1995 Request			
1995 PROPOSED STRUCTURE	WY	S&E	EMPA	TOTAL
FIRE PREVENTION & TRAINING (USFA)				
From the following:				
II. B. Instructional Progs. & Sys. (partial)	13	$398	$1,771	$2,169
IV. A. NETC Site Administration (all)	0	0	749	749
III. A. NETC Site Administration (all)	22	1,681	7,962	9,643
Subtotal, NETC Site Administration	35	2,079	10,482	12,561
III B. Fire & Hazard Mitigation (all)	30	2,008	8,120	10,128
III. C. Instructional Programs & Systems (all)	60	3,102	5,699	8,801
TOTAL, FIRE PREVENTION & TRAINING	125	7,189	24,301	31,490
MITIGATION PROGRAMS				
From the following:				
V. A. National Earthquake Program (all)	55	4,571	20,430	25,001
V. B. Hurricane/Dam Safety/Other (all)	34	2,484	8,564	11,048
Subtotal, from Earthquake & Other Natural Hazards	89	7,055	28,994	36,049
VII. A. Flood Plain Management (all)	159	10,361	48,092	58,453
Less Fees from Policyholders	0	(10,361)	(48,092)	(58,453)
Subtotal, from Mitigation & Insurance	159	0	0	0
VIII. Disaster Assistance (Haz. Mit.)(partial)	10	650	0	650
TOTAL, MITIGATION PROGRAMS	258	7,705	28,994	36,699
FLOOD INSURANCE OPERATIONS				
From: VII. B. Insurance Activities (all)	54	3,998	0	3,998
Less Fees from Policyholders	0	(3,998)	0	(3,998)
TOTAL, FLOOD INSURANCE OPERATIONS	54	0	0	0

FEDERAL EMERGENCY MANAGEMENT AGENCY BUDGET RESTRUCTURE CROSSWALK
(DOLLARS IN THOUSANDS)

1994 STRUCTURE	1995 Request				1995 PROPOSED STRUCTURE	1995 Request			
	WY	S&E	EMPA	TOTAL		WY	S&E	EMPA	TOTAL
X. MANAGEMENT AND ADMINISTRATION					**EXECUTIVE DIRECTION**				
A. Office of the Director	22	$1,874	$89	$1,963	A. Director (includes Ombudsman)(from X.A.–partial)	12	$1,134	$0	$1,134
B. External Affairs	27	2,064	919	2,983	B. Policy and Assessment (from X.A.–partial)	10	740	89	829
C. General Counsel	22	1,699	0	1,699	C. General Counsel (from X.C.–all)	22	1,699	0	1,699
D. Management Services					D. Congressional & Governmental Aff (from X.B.–partial)	13	1,001	0	1,001
1. Chief of Staff	0	0	0	0	E. Emergency Info. & Public Affairs (from X.B.–partial)	14	1,063	919	1,982
2. Acquisition Management	31	1,956	0	1,956					
3. Administrative Support	64	3,252	0	3,252					
4. Human Resources Management	64	4,963	0	4,963	F. Human Resources Management (from X.D.4.–partial)	53	3,097	0	3,097
5. Security Management	10	1,188	0	1,188	G. Equal Rights (from X.D.4–partial)	5	320	0	320
6. Rental Charges	0	12,345	0	12,345					
7. Other Administrative	0	3,321	0	3,321					
Subtotal, Management Services	169	27,025	0	27,025					
E. Financial Management	112	7,314	234	7,548	H. Financial Management (from X.E.–all)	112	7,314	234	7,548
F. Information Services									
1. Information Systems	25	1,837	0	1,837					
2. Administrative Telephones	0	2,073	0	2,073					
3. Office Automation	0	85	0	85					
TOTAL, MANAGEMENT AND ADMINISTRATION	377	43,971	1,242	45,213	TOTAL, EXECUTIVE DIRECTION	241	16,368	1,242	17,610
XI. REGIONAL PROGRAM DIRECTION									
A. Regional Program Management	110	9,900	0	9,900					
B. Regional Program Liaison	5	360	0	360					
TOTAL, REGIONAL PROGRAM DIRECTION	115	10,260	0	10,260	**REGIONAL PROGRAM DIRECTION (SAME)**	115	10,260	0	10,260
TOTAL, FEMA	2,531	168,431	220,345	388,776	TOTAL, FEMA	2,531	168,431	220,345	388,776

Authorities for FEMA Programs

BASIC AUTHORITIES
FEDERAL EMERGENCY MANAGEMENT AGENCY
BUDGET ESTIMATES FOR 1995

The Federal Emergency Management Agency (FEMA) was established by the President in Reorganization Plan No. 3 of 1978. The Agency operates under various statutory and executive authorities to carry out a wide range of program responsibilities for emergency planning, preparedness, response and recovery, and hazard mitigation. These include the following:

- **Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251, et seq.**
  Response and Recovery
  Preparedness, Training and Exercises
  Operations Support

- **Earthquake Hazards Reduction Act of 1977, as amended, 42 U.S.C. 7701, et. seq.**
  Mitigation

- **Executive Order 12148 of July 20, 1979, "Federal Emergency Management", as amended, 3 CFR, 1979 Comp., p. 412.**
  Preparedness, Training and Exercises
  Mitigation
  Response and Recovery
  Operations Support

- **Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011, 2210 et seq. and 94 Stat. 780, Nuclear Regulatory Commission Appropriation Authorization of 1980, Public Law 96-295.**
  Preparedness, Training and Exercises

- **Executive Order 12657 of November 18, 1988, "Federal Emergency Management Agency Assistance in Emergency Preparedness Planning at Commercial Nuclear Power Plants", 3 CFR, 1988 Comp., p. 611.**
  Preparedness, Training and Exercises

- **National Security Act of 1947, as amended, 50 U.S.C. 404-405,411.**
  Response and Recovery
  Preparedness, Training and Exercises
  Operations Support

- Defense Production Act of 1950, as amended, 50 U.S.C. 2061 et seq.
  - Response and Recovery
  - Preparedness, Training and Exercises
  - Operations Support

- Federal Fire Prevention and Control Act of 1974, 15 U.S.C. 2201 et seq.
  - Fire Prevention and Training

- National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001 et seq.
  - Flood Insurance Operations
  - Mitigation
  - National Flood Insurance Fund

- Urban Property Protection and Reinsurance Act of 1968, as amended, 12 U.S.C. 1749bbb et seq.
  - National Insurance Development Fund

- Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq.
  - Preparedness, Training and Exercises
  - Mitigation
  - Response and Recovery
  - Operations Support
  - Disaster Relief Fund

- Inspector General Act of 1978, as amended, 5 U.S.C. App.1-12.
  - Office of Inspector General

- Stewart B. McKinney Homeless Assistance Act of 1987, as amended, 42 U.S.C. 11331 et seq.
  - Preparedness, Training and Exercises

- Executive Order 10480 of August 14, 1953, "Further providing for the administration of the defense mobilization program", 3 CFR, 1949-1953 Comp., p. 962, as amended, 50 U.S.C. App. 2153, note.
  - Response and Recovery
  - Operations Support
  - Preparedness, Training and Exercises

o **Executive Order 12656 of November 18, 1988, "Assignment of Emergency Preparedness Responsibilities", 3 CFR, 1988 Comp., p. 585.**
Response and Recovery
Operations Support
Preparedness, Training and Exercises

o **Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. 9604 9604 et seq.**
Preparedness, Training and Exercises

o **Hazardous Materials Transportation Act, as amended 49 U.S.C. 1801 et seq.**
Preparedness, Training and Exercises

o **Executive Order 12699 of January 5, 1990, "Seismic Safety of Federal and Federally Assisted or Regulated New Building Construction", 3 CFR, 1990 Comp., p. 269.**
Mitigation

o **Reorganization Plan No. 3 of 1978, 3 CFR, 1978 Comp., p. 329, 5 U.S.C. App. 1, note.**
Executive Direction

o **Agency Chief Financial Officers Act of 1990, 31 U.S.C. 901 et seq.**
Executive Direction

o **Executive Order 12472 of April 3, 1984, "Assignment of National Security and Emergency Preparedness Telecommunications Functions", 3 CFR, 1984 Comp., p. 193.**
Preparedness, Training and Exercises
Operations Support
Response and Recovery

ADMINISTRATIVE PROVISION

The Director of the Federal Emergency Management Agency shall promulgate through rulemaking a [schedule] methodology for assessment and collection of fees to be assessed and collected beginning in fiscal year 1995 and in each fiscal year thereafter, applicable to persons subject to the Federal Emergency Management Agency's radiological emergency preparedness regulations. The aggregate charges assessed pursuant to this section [during fiscal year 1994] in a fiscal year shall approximate[, but not be less than] 100 per centum of the amounts anticipated by the Federal Emergency Management Agency to be obligated for its radiological emergency preparedness program for such fiscal year. The [schedule] methodology for assessment and collection of fees shall be fair and equitable, and shall reflect the full amount of [direct and indirect] costs [incurred through the provision of regulatory services] of providing radiological emergency planning, preparedness, response and associated services. Such fees will be assessed in a manner that reflects the use of agency resources [for classes of regulated persons and the administrative costs of collecting such fees]. Fees received pursuant to this section shall be deposited in the general fund of the Treasury as offsetting receipts. [Assessment and collection of such fees are only authorized during fiscal year 1994.]

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

DISASTER RELIEF
Appropriation Language

For necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), [$292,000,000] $320,000,000 to remain available until expended.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

[Funds provided to this account] For the cost of direct loans, $2,418,000, as authorized by section 319 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.): Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $25,000,000.

In addition, for administrative expenses to carry out the direct loan program, $95,000.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

SALARIES AND EXPENSES

Appropriation Language

For necessary expenses, not otherwise provided for, including hire and purchase of motor vehicles (31 U.S.C. 1343); uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18; expenses of attendance of cooperating officials and individuals at meetings concerned with the work of emergency preparedness; transportation in connection with the continuity of Government programs to the same extent and in the same manner as permitted the Secretary of a Military Department under 10 U.S.C. 2632; and not to exceed $2,500 for official reception and representation expenses; [$160,409,000] $168,431,000.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

Appropriation Language

For necessary expenses, not otherwise provided for, to carry out activities under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977, as amended (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2251 et seq.), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061 et seq.), [section] sections 107 and 303 of the National Security Act of 1947, as amended (50 U.S.C. § 404-405), and Reorganization Plan No. 3 of 1978, [$212,960,000] $220,345,000.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

OFFICE OF INSPECTOR GENERAL
Appropriation Language

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended [$4,350,000] $4,500,000.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

EMERGENCY FOOD AND SHELTER
Appropriation Language

[There is hereby appropriated $130,000,000 to the Federal Emergency Management Agency to carry out an emergency food and shelter program pursuant to title III of Public Law 100-77, as amended: Provided, That total administrative costs shall not exceed three and one-half per centum of the total appropriation.]

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

NATIONAL FLOOD INSURANCE FUND

Appropriation Language

Of the funds available from the National Flood Insurance Fund for activities under the National Flood Insurance Act of 1968, and the Flood Disaster Protection Act of 1973, [$14,081,000] $14,359,000 shall be transferred as needed to the "Salaries and expenses" appropriation for administrative costs of the insurance and flood plain management programs and $48,092,000 shall be transferred as needed to the "Emergency management planning and assistance" appropriation for flood plain management activities, including $4,720,000 for expenses under section 1362 of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4103, 4127), which amount shall be available until September 30, [1995] 1996. In fiscal year [1994] 1995, no funds in excess of (1) $32,000,000 for operating expenses, (2) [$252,366,000] $253,641,000 for agents' commissions and taxes, and (3) [$3,500,000] $12,000,000 for interest on Treasury borrowings shall be available from the National Flood Insurance Fund without prior notice to the Committees on Appropriations.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

Supplemental Tables

FEDERAL EMERGENCY MANAGEMENT AGENCY
Supplemental Tables
Funding by Basic Authorities Where Reauthorization Is Required

AUTHORITY/ACTIVITY	1983 Actual Obligations				1984 Current Estimate				1985 Request				Difference			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
Federal Civil Defense Act of 1950, as amended:																
Preparedness, Training & Exercises	218	$13,124	$116,210	$129,334	225	$13,656	$109,462	$123,118	225	$13,656	$109,462	$123,118	...	...	...	...
Response & Recovery	60	3,648	1,583	5,231	56	3,547	782	4,329	56	3,547	782	4,329	...	...	...	...
Operations Support	56	2,882	17,554	20,436	64	4,511	10,950	15,461	64	4,511	8,450	12,961	...	...	($2,500)	($2,500)
Total, Civil Defense	334	19,654	135,347	155,001	345	21,714	121,194	142,908	345	21,714	118,694	140,408	...	...	(2,500)	(2,500)
Earthquake Hazards Reduction Act of 1977, as amended:																
Mitigation	43	3,670	16,572	20,242	45	3,773	16,430	20,203	55	4,571	20,430	25,001	10	$798	4,000	4,798
Federal Fire Prevention & Control Act of 1974, as amended:																
Fire Prevention and Training (USFA)	120	6,973	24,328	31,301	125	7,189	24,301	31,490	125	7,189	24,301	31,490	...	...	...	...
Stewart B. McKinney Homeless Assistance Act of 1987, as amended:																
Preparedness, Training & Exercises	5	[303]		129,295	5	[322]		130,322	...	...		...	(5)	[-322]		(130,322)
Urban Property Protection and Reinsurance Act of 1968, as amended:																
National Insurance Development Fund	6			2,120	6			2,234	6			2,516	...			282
National Flood Insurance Act of 1968, as amended:																
National Flood Insurance Fund				...				3,626				...				(3,626)
Mitigation	(152)	[9,568]	[44,154]	[53,722]	(154)	[10,083]	[48,092]	[58,175]	(159)	[10,361]	[48,092]	[58,453]	(5)	[278]	...	[278]
Flood Insurance Operations	(54)	[4,268]	...	[4,268]	(54)	[3,998]	...	...	(54)	[3,998]	...	...	...	...	...	...

Amounts in [ ] included in total.

FEDERAL EMERGENCY MANAGEMENT AGENCY
Supplemental Tables
Fee Supported Programs

ACTIVITY/PROGRAM	1993 Actual Obligations				1994 Current Estimate				1995 Request				Difference			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
Preparedness, Training & Exercises (REP program)	91	$5,893	$4,602	$10,495	90	$5,914	$5,611	$11,525	90	$5,914	$5,611	$11,525	—	—	—	—
Collections in the National Flood Insurance Fund:																
Mitigation (Flood Plain Management)	152	9,568	44,154	53,722	154	10,083	48,092	58,175	159	10,361	48,092	58,453	5	$278	...	$278
Flood Insurance Operations	54	4,268	...	4,268	54	3,998	...	3,998	54	3,998	...	3,998	...	...	...	...
Adjustment				(484)				...				...				...
Investment Income				28,036				...				...				...
Flood Insurance Premiums				677,262				724,689				774,657				49,968
Total Collections, National Flood Insurance Fund				762,804				786,862				837,108				50,246
Crime Insurance Premiums	6			5,164	6			4,663	6			4,284	—			(379

FEDERAL EMERGENCY MANAGEMENT AGENCY
Supplemental Tables
Grants

ACTIVITY/PROGRAM	1993 Actual Obligations			1994 Current Estimate			1995 Request			Difference		
	EMPA	OTHER	TOTAL	EMPA	OTHER	TOTAL	EMPA	OTHER	TOTAL	EMPA	OTHER	TOTAL
PASS – THROUGH												
Mitigation:												
Earthquake	$5,087	...	$5,087	$5,365	...	$5,365	$6,860	...	$6,860	$1,495	...	$1,495
Hurricane	151	...	151	1,260	...	1,260	5,187	...	5,187	3,927	...	3,927
Hazard Mitigation	188	...	188	188	...	188	188	...	188	...	...	...
Flood Hazard Reduction	3,754	...	3,754	4,200	...	4,200	4,200	...	4,200	...	...	...
Subtotal, Mitigation	9,180	...	9,180	11,013	...	11,013	16,435	...	16,435	5,422	...	5,422
Preparedness, Training & Exercises:												
Emergency Management Assistance	68,628	..	68,628	70,628	..	70,628	70,628	...	70,628	...	..	...
Other (Other funding for State personnel, i.e., Population Protection Planners, Radiological Defense Officers, etc.	17,912	...	17,912	18,953		18,953	19,853		19,853	900	...	900
Facilities and Equipment (EBS,EOC)	6,674	...	6,674	4,807	...	4,807	4,807	...	4,807	...	...	...
Training – Emergency Management Institute (EMI)	6,003	...	6,003	5,955	..	5,955	5,955	...	5,955	...	...	...
Hazardous Materials, SARA Title III	260	...	260	200	...	200	200	...	200	...	...	...
SARA Title III	2,989	...	2,989	5,000	...	5,000	5,000	...	5,000	...	...	...
Disaster Preparedness Improvement Grants	...	$2,539	2,539	...	$2,500	2,500	...	$2,500	2,500	...	...	...
Subtotal, Preparedness, Training & Exercises	102,466	2,539	105,005	105,543	2,500	108,043	106,443	2,500	108,943	900	...	900
Operations Support:												
National Networks	35	...	35	..	...	...	...	..	...	...	...	...
Fire Prevention and Training:												
Instructional Programs and Systems (NFA)	69	...	69	...	...	...	...	...	...	...	...	...
Response & Recovery :												
Infrastructure (formerly Public Assistance)	...	1,059,561	1,059,561	...	530,000	530,000	...	300,000	300,000	...	($230,000)	(230,000)
TOTAL, PASS THROUGH GRANTS	111,750	1,062,100	1,173,850	116,556	532,500	649,056	122,878	302,500	425,378	6,322	(230,000)	(223,678)
OTHER												
Mitigation:												
Earthquake	2,365	...	2,365	...	...	...	...	...	...	...	...	...
Hurricane	5	...	5	...	...	...	...	...	...	...	...	...
Flood Hazard Reduction	522	...	522	...	...	...	...	...	...	...	...	...
Subtotal, Mitigation	2,892	. .	2,892	...	...	...	...	...	...	...	...	...
Response and Recovery:												
Planning, Exercises and Response	324	..	324	...	...	...	...	...	...	...	...	...
Other (from the Disaster Relief Fund; e.g., Human Services)	...	780,207	780,207	...	680,341	680,341	...	457,025	457,025	...	(223,316)	(223,316)
Subtotal, Response and Recovery	324	780,207	780,531	...	680,341	680,341	...	457,025	457,025	...	(223,316)	(223,316)
Preparedness, Training & Exercises:												
Facilities and Equipment (EBS,EOC)	451	...	451	...	...	...	...	...	...	...	...	...
Training – EMI (e.g., student stipends)	1,378	...	1,378	890	...	890	890	...	890	...	...	...
Hazardous Materials, SARA Title III	655	...	655	...	...	...	...	...	...	...	...	...
Subtotal, Preparedness, Training & Exercises	2,484	...	2,484	890	...	890	890	...	890	...	...	...
Fire Prevention and Training:												
Fire and Hazard Mitigation (US Fire Administration)	2,288	..	2,288	2,202	..	2,202	2,100	...	2,100	(102)	...	(102)
Instructional Programs and Systems (e.g., NFA Stipends)	1,152	...	1,152	1,470	...	1,470	1,470	...	1,470	...	...	...
Subtotal, Fire Prevention and Training	3,440	...	3,440	3,672	...	3,672	3,570	...	3,570	(102)	...	(102)
Executive Direction:												
Challenge Grants			...	25		25	...	..	..	(25)	...	(25)
TOTAL, OTHER GRANTS	9,140	780,207	789,347	4,587	680,341	684,928	4,460	457,025	461,485	(127)	(223,316)	(223,443)
GRAND TOTAL, GRANTS	120,890	1,842,307	1,963,197	121,143	1,212,841	1,333,984	127,338	759,525	886,863	6,195	(453,316)	(447,121)

FEDERAL EMERGENCY MANAGEMENT AGENCY
Supplemental Tables
Executive Direction

OFFICE	1993 Actual Obligations				1994 Current Estimate				1995 Request				Difference			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
Office of the Director	8	$819	...	$819	12	$1,134	...	$1,134	12	$1,134	...	$1,134	...	...	...	...
Policy & Assessment	10	713	...	713	10	740	$89	829	10	740	$89	829	...	...	...	...
General Counsel	21	1,528	...	1,528	22	1,699	...	1,699	22	1,699	...	1,699	...	...	...	...
Congressional and Governmental Affairs	8	715	...	715	13	1,001	...	1,001	13	1,001	...	1,001	...	...	...	...
Emergency Information & Public Affairs	13	938	$1,257	2,195	14	1,063	919	1,982	14	1,063	919	1,982	...	...	...	...
Human Resources Management	48	3,197	...	3,197	53	3,097	...	3,097	53	3,097	...	3,097	...	...	...	...
Equal Rights	5	249	...	249	5	320	...	320	5	320	...	320	...	...	...	...
Financial Management	100	7,047	300	7,347	112	7,314	234	7,548	112	7,314	234	7,548	...	...	...	...
Total, Executive Direction	213	15,206	1,557	16,763	241	16,368	1,242	17,610	241	16,368	1,242	17,610	...	...	...	...

FEDERAL EMERGENCY MANAGEMENT AGENCY
Supplemental Tables
Reimbursable Programs

ACTIVITY/PROGRAM	1993 Actual Obligations				1994 Current Estimate				1995 Request				Difference			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
From FEMA funds:																
Mitigation (Flood Plain Management – from NFIF)	152	$9,568	$44,154	$53,722	154	$10,083	$48,092	$58,175	159	$10,361	$48,092	$58,453	5	$278	...	$278
Flood Insurance Operations	54	4,268	...	4,268	54	3,996	...	3,996	54	3,996	...	3,996	...	...	...	...
Disaster Loan Administrative Expenses				95				95				95				...
From Other Sources:																
Chemical Stockpile Emergency Prep. Program (CSEPP)*	35	2,393	59,210	61,603	28	2,202	43,327	45,529	28	2,295	26,762	29,057	...	93	($16,565)	(16,472)
CERCLA	17	857	...	857	15	1,824	...	1,824	15	1,824	...	1,824	...	...	...	...
Other	49	1,896	3,819	5,715	27	2,484	4,581	7,065	27	922	6,146	6,668	...	(1,562)	1,565	(397)
Total, Reimbursable Programs**	101	18,982	107,183	126,260	70	20,591	96,000	116,686	70	19,000	81,000	100,095	...	(1,591)	(15,000)	(16,591)

* 1994 & 1995 levels are still in negotiation.
** Flood workyears are counted in the directly funded total and are not included in the total for reimbursable programs.

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FEATURES OF THE 1995 REQUEST FOR THE FEDERAL EMERGENCY MANAGEMENT AGENCY

The Federal Emergency Management Agency provides leadership and support for a risk based, all hazards, emergency management program which includes mitigation, preparedness, response and recovery. FEMA's 1995 request reflects a redefinition of the emergency management mission as it pertains to the real risks we face in today's world.

This refocusing of FEMA's priorities, coupled with our support of the Administration's streamlining policies, translates into an Agency request for 1995 which will maintain most programs at their current levels, while enhancing our efforts to develop an overall national mitigation strategy for all types of disasters, and reducing spending in the defense-related arena commensurate with national priorities.

The 1995 request for FEMA operating accounts is $388,776,000, an increase of 4.1 percent over the 1994 enacted level. A 5 percent increase in the Salaries and Expenses appropriation provides for a greater commitment of agency resources to improve disaster response through planning exercises, and will support workyears associated with hurricane and earthquake mitigation strategies.

Changes to Structure

A major change in budget structure, proposed as a result of a critical review of the Agency's purpose and mission, better reflects the interrelationships among FEMA's programs and will increase management flexibility in applying scarce resources. This restructuring of the FEMA budget mirrors our recent functionally-based organizational realignment.

Highlights

In operating programs, increases in staff and funding in the earthquake and hurricane programs will expand FEMA's mitigation strategies, regional services, and public education initiatives. Increases are also requested to enable FEMA to implement recommendations of the Federal Response Planning task force, to implement a comprehensive exercise program, and to provide hazardous materials exercise and training support to the State and local emergency management community. Offsetting these enhancements is a reduction of nearly $5 million in the defense related national network area under the Operations Support activity.

An additional $13 million has been reclassified from the defense related category to the domestic function. This is based on the fact that the entire curriculum offered through the Emergency Management Institute is now directly in support of the agency's multi-hazard approach, as opposed to former courses of study that were offered with a national security or civil defense emphasis. Likewise, the corresponding portion of site expenses are being categorized as domestic funding.

Beginning in 1995, the Department of Housing and Urban Development will administer the Emergency Food and Shelter program currently under FEMA's purview. This transfer is intended to further consolidate within the

Department of Housing and Urban Development the responsibility for coordinating the Federal response to homelessness. An appropriation of $320,000,000 is being requested for the Disaster Relief Fund.

Response and Recovery

This activity provides for the development and maintenance of an operational capability to respond to and recover from the consequences of disasters and emergencies. The 1995 request of 690 workyears and $56,711,000 for Response and Recovery includes funds for more effective interagency Federal response planning, the development of regional response operations plans, and participation in response planning with the individual States.

Preparedness, Training and Exercises

The request for this activity in 1995 totals $171,288,000 and 651 workyears. The programs in this activity provide policy guidance, financial and technical assistance, training and exercise support required to establish or enhance the emergency management capabilities of Federal, State and local governments. Increases will emphasize an aggressive program of exercises, tabletops, and workshops for joint Federal disaster response with the States.

Fire Prevention and Training

Resources of this activity prepare Federal, State, and local officials, their supporting staffs, emergency first responders, volunteer groups, and the public to meet the responsibilities of domestic emergencies through planning, mitigation, preparedness, response and recovery. The 1995 request for this activity is 125 workyears and $31,490,000.

Operations Support

This activity provides direct support and services which address the common needs of all agency programs, such as administration, acquisition, logistics, and information systems. The 1995 request includes 397 workyears and $64,718,000 for Operations Support, a decrease of $4,953,000 from 1994 in FEMA's national networks.

Mitigation Programs

This activity provides for the development and coordination of policies, plans and programs to reduce or eliminate the long-term risk to life and property from natural and technological hazards, such as floods, earthquakes, hurricanes, and dam failures. Of the total request for $95,152,000 and 258 workyears for this activity, $58,453,000 will be reimbursed from the National Flood Insurance Fund. The 1995 directly funded request of $36,699,000 reflects increases to support hurricane and earthquake preparedness programs through training, public education, regional services and implementation of a "seismic safety zone" strategy. The requested increase in workyears will support the earthquake and hurricane initiatives, as well as flood related activities through the community rating system.

Flood Insurance Operations

This activity provides salaries and expenses for oversight and administration of the insurance component of the National Flood Insurance Program. These funds are reimbursed from the National Flood Insurance Fund.

Regional Program Direction

The 1995 request for this activity, $10,260,000 and 115 workyears, will support the direction and program management of the regional offices and provide staff to act as advisor to the Director and Regional Directors on regional activities.

Executive Direction

This activity maintains a family protection program, develops strategies to address congressional and public information issues, evaluates FEMA programs, and provides financial management, legal and personnel services to the Agency. The 1995 request for Executive Direction is 241 workyears and $17,610,000.

Disaster Relief Fund

This fund provides the basis for the President to authorize Federal assistance, in accordance with the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, to individuals and to jurisdictions where a major disaster or emergency has been declared. An appropriation of $320,000,000 is requested for 1995. This requested amount is in accordance with the Dire Emergency Supplemental Appropriations Act, 1992, (P.L. 102-229) which stated that any amounts requested for disaster payments in excess of the lower of $320,000,000 or the President's budget request would be considered as emergency requirements.

Disaster Assistance Direct Loan Program Account

This appropriation provides for administrative and subsidy expenses associated with Direct Loans provided to States to meet the portion of assistance for which the State is responsible under cost-sharing provisions of the Stafford Act. For 1995, FEMA is requesting $2,513,000, of which $95,000 is for administrative expenses and $2,418,000 is for subsidy expenses associated with loan authority of $25,000,000.

Office of the Inspector General

This appropriation provides advice, assistance and oversight on matters relating to economy and efficiency and the prevention and detection of fraud, abuse and mismanagement in Agency programs and operations. For 1995, 70 workyears and $4,500,000 are requested.

Emergency Food and Shelter

Beginning in 1995, the Department of Housing and Urban Development will administer this program as part of a consolidation of homeless-related programs.

National Insurance Development Fund

This fund is the vehicle for funding the Federal Crime Insurance Program, which is currently authorized through September 30, 1995. Six workyears and $2,516,000 in borrowing authority are requested to support this program in 1995.

National Flood Insurance Fund

The National Flood Insurance program enables property owners to purchase flood insurance otherwise unavailable in the commercial market. In return for the availability of insurance, communities agree to adopt and enforce flood plain management measures to reduce loss of life and property from future flooding. The program continues to be self-supporting for the average loss year.

User Fees

In 1995 and years thereafter, FEMA proposes to continue collecting 100 percent of the costs associated with the Radiological Emergency Preparedness Program and will fund the costs of the flood insurance and mitigation programs by charging a processing fee to flood insurance policyholders as authorized by Public Law 101-508.

FEDERAL EMERGENCY MANAGEMENT AGENCY
Appropriation Overviews

Salaries and Expenses. This appropriation encompasses the salaries and expenses required to provide executive direction and administrative and staff support to FEMA's programs in both the Headquarters and field offices.

Emergency Management Planning and Assistance. This appropriation provides program resources for the following activities: Response and Recovery; Preparedness, Training and Exercises; Mitigation Programs; Fire Prevention and Training; Operations Support; and Executive Direction.

Disaster Relief. From this appropriation, supplementary assistance is provided to individuals and State and local governments in the event of a Presidentially declared emergency or major disaster.

Disaster Assistance Direct Loan Program Account. This appropriation provides administrative and subsidy expenses for disaster assistance direct loans.

Office of the Inspector General. This appropriation provides agency-wide audit and investigative functions to identify and correct management and administrative deficiencies which create conditions for existing or potential instances of fraud, waste and mismanagement.

Emergency Food and Shelter. This appropriation provides grants to voluntary organizations at the local level to supplement their programs for emergency food and shelter. Beginning in 1995, the Department of Housing and Urban Development will administer this program.

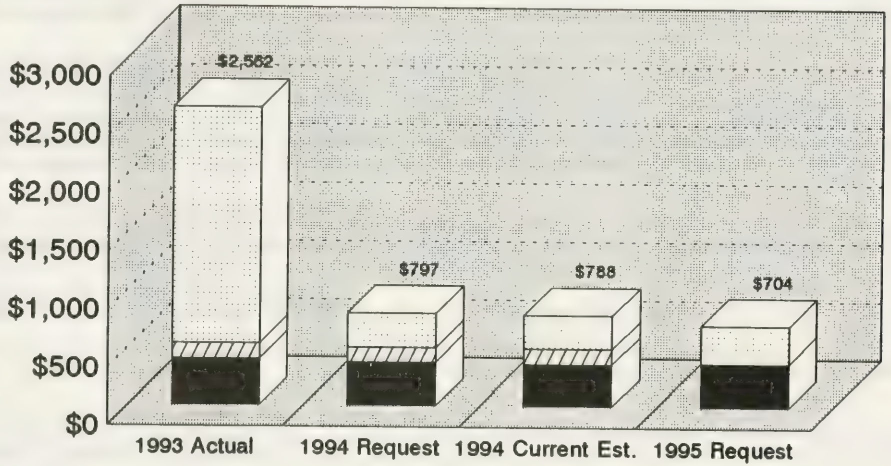
National Insurance Development Fund. This fund is used as the vehicle for funding the Federal Crime Insurance Program. It receives deposits from crime insurance premiums and other receipts.

National Flood Insurance Fund. This fund is used as the funding mechanism for the National Flood Insurance Program, which enables property owners to purchase flood insurance otherwise unavailable in the commercial market. In return for the availability of insurance, communities agree to adopt and enforce flood plain management measures to reduce losses from future flooding.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Comparison of Appropriation Levels

(Dollars in Millions)



	1993 Actual	1994 Request	1994 Current Est.	1995 Request
Disaster Relief/Loans	$2,027	$292	$292	$322
Emerg. Food & Shelter	$129	$123	$130	
Oper. Accts. & IG	$406	$382	$366	$382

■ Oper. Accts. & IG ▨ Emerg. Food & Shelter ☐ Disaster Relief/Loans

Excludes pending 1994 Supplemental for Disaster Relief and Emerg. Mgmt. Plann. & Asst. (Earthquake)

FEDERAL EMERGENCY MANAGEMENT AGENCY
Appropriation and Outlay Summary
(Dollars in Thousands)

APPROPRIATIONS

	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Salaries and Expenses 1/	$157,610	$165,516	$160,409	$168,431	$8,022
Emergency Management Planning and Assistance 1/	251,182	222,960	212,960	220,345	7,385
National Insurance Development Fund	...	...	...	...	...
National Flood Insurance Fund	...	...	...	...	...
Disaster Relief Fund	2,553,904	292,000	292,000	320,000	28,000
Disaster Assistance Loan Admin. Ex./Subsidy	75	95	95	2,513	2,418
Emergency Food and Shelter	128,992	123,000	130,000	...	-130,000
Office of the Inspector General	3,973	4,800	4,350	4,500	150
REP - Offsetting Receipts	(10,495)	(11,525)	(11,525)	(11,525)	...
Total, Obligations	3,085,241	796,846	788,289	704,264	-84,025

OUTLAYS

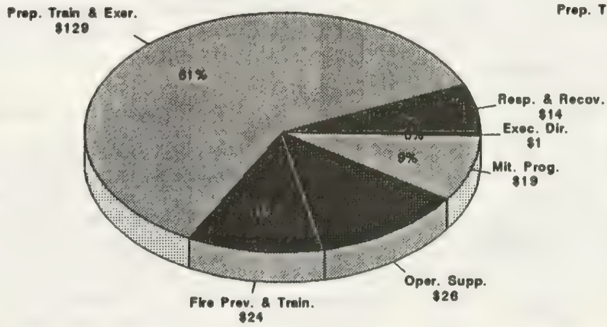
Salaries and Expenses		172,406
Emergency Management Planning and Assistance		256,491
Office of the Inspector General		4,720
Disaster Relief Fund		1,338,886
Disaster Assistance Loan Admin. Ex./Subsidy		95
Emergency Food and Shelter		123,000
National Flood Insurance Fund		(22,645)
National Insurance Development Fund		659
Bequests and Gifts (Disaster Relief)		30
Gifts and Bequests, Fire Administration	...	...
Offsetting Receipts (Bequests and Gifts)		(57)
REP - Offsetting Receipts		(11,525)
Total, Outlays		1,862,051

1/ Excludes carryover of $261,000 S&E and $33,000 EMPA in Earthquake and Other Natural Hazards.

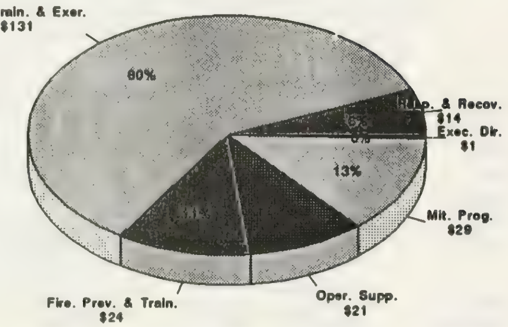
EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

COMPARISON OF 1994 AND 1995 BUDGET AUTHORITY

(Dollars in Millions)



1994 CURRENT ESTIMATE

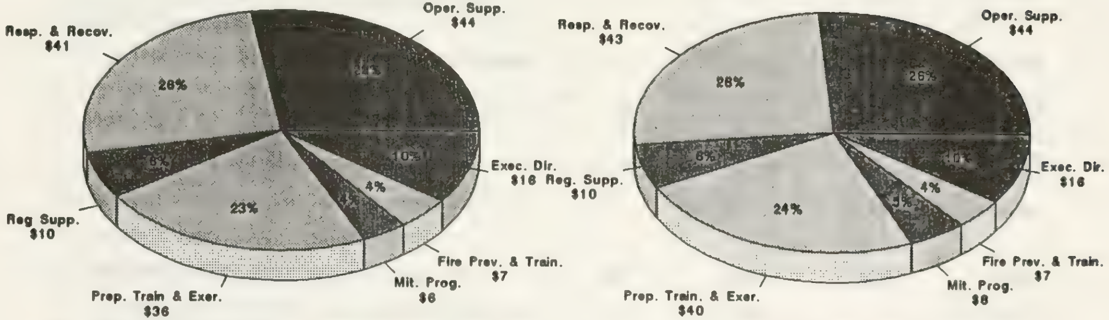


1995 REQUEST

1994 Current Estimate - $212,960
1995 Request - $220,345

Excludes pending 1994 Supplemental for Disaster Relief and Emerg. Mgmt. Plann. & Asst. (Earthquake)

SALARIES AND EXPENSES APPROPRIATION
COMPARISON OF 1994 AND 1995 BUDGET AUTHORITY
(Dollars in Millions)



1994 CURRENT ESTIMATE

1995 REQUEST

1994 Current Estimate - $160,409
1995 Request - $168,431

FEDERAL EMERGENCY MANAGEMENT AGENCY
1995 Request to Congress
Summary of Changes to 1994 Current Estimate by Activity
(Dollars in Thousands)

Activity/1995 Changes to 1994 Current Estimate	WY	S&E	EMPA	TOTAL
RESPONSE AND RECOVERY:				
1994 Current Estimate	665	$41,179	$13,782	$54,961
1995 Requested Changes:				
Implement recommendations of Fed. Resp. Plng. Task Force	25	1,750	...	1,750
1995 REQUEST, RESPONSE AND RECOVERY	690	42,929	13,782	56,711
PREPAREDNESS, TRAINING & EXERCISES:				
1994 Current Estimate	601	35,663	128,911	164,574
1995 Requested Changes:				
Transfer Food & Shelter to HUD: eliminate S&E	(5)	(322)	...	(322)
Employee development	...	886	...	886
Comprehensive exercise program	35	2,450	1,500	3,950
HAZMAT exercise & training support to State and locals	20	1,400	800	2,200
Subtotal, Changes	50	4,414	2,300	6,714
1995 REQUEST, PREPAREDNESS, TRAINING & EXERCISES	651	40,077	131,211	171,288
FIRE PREVENTION AND TRAINING:				
1994 Current Estimate	125	7,189	24,301	31,490
1995 Requested Changes: None	...	...	...	...
1995 REQUEST, FIRE PREVENTION & TRAINING	125	7,189	24,301	31,490
OPERATIONS SUPPORT:				
1994 Current Estimate	397	43,903	25,768	69,671
1995 Requested Changes:				
Reduction in National Networks	...	...	(4,953)	(4,953)
1995 REQUEST, OPERATIONS SUPPORT	397	43,903	20,815	64,718

FEDERAL EMERGENCY MANAGEMENT AGENCY
1995 Request to Congress
Summary of Changes to 1994 Current Estimate by Activity
(Dollars in Thousands)

Activity/1995 Changes to 1994 Current Estimate	WY	S&E	EMPA	TOTAL
MITIGATION PROGRAMS:				
1994 Current Estimate	232	$15,930	$67,048	$82,978
1995 Requested Changes:				
Hurricane: emphasis on mitigation, response & preparedness planning, training, & public education	11	1,060	6,038	7,098
Earthquake: Increase financial assistance to States to develop & deliver programs of awareness, technology transfer, focusing on mitigation strategies and regional services	5	252	1,500	1,752
Implement "seismic enterprise zones" strategy	5	546	2,500	3,046
Community verification activities for Community Rating System	5	278	...	278
Subtotal, Changes	26	2,136	10,038	12,174
Less Reimbursements from National Flood Insurance Fund	...	(10,361)	(48,092)	(58,453)
1995 REQUEST, MITIGATION PROGRAMS	258	7,705	28,994	36,699
FLOOD INSURANCE OPERATIONS:				
1994 Current Estimate	54	3,998	...	3,998
1995 Requested Changes: None	...	...	...	...
Less Reimbursements from National Flood Insurance Fund	...	(3,998)	...	(3,998)
1995 REQUEST, FLOOD INSURANCE OPERATIONS	54	...	...	...
REGIONAL PROGRAM DIRECTION:				
1994 Current Estimate	115	10,260	...	10,260
1995 Requested Changes: None	...	...	...	...
1995 REQUEST, REGIONAL PROGRAM DIRECTION	115	10,260	...	10,260
EXECUTIVE DIRECTION:				
1994 Current Estimate	241	16,368	1,242	17,610
1995 Requested Changes: None	...	...	...	...
1995 REQUEST, EXECUTIVE DIRECTION	241	16,368	1,242	17,610
TOTAL 1995 REQUEST, OPERATING ACCOUNTS	2,531	168,431	220,345	388,776

FEDERAL EMERGENCY MANAGEMENT AGENCY
1995 Request to Congress
Summary of Changes to 1994 Current Estimate by Activity
(Dollars in Thousands)

Activity/1995 Changes to 1994 Current Estimate	WY	S&E	EMPA	TOTAL
1992 DISASTER SUPPLEMENTAL CARRYOVER:				
1994 Current Estimate	40			[$5,000]
1995 Requested Changes: None	...			...
1995 REQUEST, DISASTER SUPPLEMENTAL CARRYOVER	40			[5,000]
DISASTER RELIEF:				
1994 Current Estimate	...			292,000
1995 Requested Changes:				
Increase to $320 million level cited in the Dire Emergency Supplemental Appropriations Act, 1992	...			28,000
1995 REQUEST, DISASTER RELIEF	...			320,000
DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT:				
1994 Current Estimate	...			95
1995 Requested Changes:				
Subsidy at 9.67% of $25 million loan authority	...			2,418
1995 REQUEST, ADMINISTRATIVE EXPENSES/SUBSIDY	...			2,513
OFFICE OF INSPECTOR GENERAL:				
1994 Current Estimate	70			4,350
1995 Requested Changes:				
Increase focus on internal audits	...			150
1995 REQUEST, OFFICE OF INSPECTOR GENERAL	70			4,500
EMERGENCY FOOD AND SHELTER:				
1994 Current Estimate	...			130,000
1995 Requested Changes:				
Transfer program to HUD	...			(130,000)
1995 REQUEST, EMERGENCY FOOD AND SHELTER	...			...

FEDERAL EMERGENCY MANAGEMENT AGENCY
1995 Request to Congress
Summary of Changes to 1994 Current Estimate by Activity
(Dollars in Thousands)

Activity/1995 Changes to 1994 Current Estimate	WY	S&E	EMPA	TOTAL
NATIONAL INSURANCE DEVELOPMENT FUND:				
1994 Current Estimate	6			$2,234
1995 Requested Changes:				
Adjustments	...			282
1995 REQUEST, NATIONAL INSURANCE DEVELOPMENT FUND	6			2,516
NATIONAL FLOOD INSURANCE FUND:				
1994 Current Estimate	...			3,626
1995 Requested Changes:				
Adjustments	...			(3,626)
1995 REQUEST, NATIONAL FLOOD INSURANCE FUND	...			...
OFFSETTING RECEIPTS: RADIOLOGICAL EMERG. PREP. (REP)				
1994 Current Estimate	...			(11,525)
1995 Requested Changes: None	...			...
1995 REQUEST, OFFSETTING RECEIPTS – REP	...			(11,525)
REIMBURSABLE WORKYEARS:				
1994 Current Estimate	70			...
1995 Requested Changes: None	...			...
1995 REQUEST, REIMBURSABLE WORKYEARS	70			...
TOTAL, 1995 REQUEST FOR FEMA	2,717			706,780

FEDERAL EMERGENCY MANAGEMENT AGENCY
1995 Request to Congress
(Dollars in Thousands)

ACTIVITY/APPROPRIATION	1993 Actual Obligations				1994 Request to Congress				1994 Current Estimate				1995 Request				Dif. (1995 Req. vs. 1994 Cur. Est.)			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
Response and Recovery	694	$45,524	$23,068	$68,592	701	$44,127	$17,836	$61,963	665	$41,179	$13,782	$54,961	690	$42,929	$13,782	$56,711	25	$1,750	...	$1,750
Preparedness, Training & Exercises	591	32,825	134,180	167,005	602	37,757	123,447	161,204	601	35,663	128,911	164,574	651	40,077	131,211	171,288	50	4,414	2,300	6,714
Fire Prevention and Training (USFA)	120	6,973	24,328	31,301	125	7,107	24,301	31,408	125	7,189	24,301	31,490	125	7,189	24,301	31,490	...	...	...	...
Operations Support	414	41,631	49,955	91,586	432	44,097	37,270	81,367	397	43,903	25,768	69,671	397	43,903	20,815	64,718	...	...	(4,953)	(4,953)
Mitigation Programs	231	15,314	62,248	77,562	232	15,789	66,048	81,837	232	15,930	67,048	82,978	258	18,066	77,086	95,152	26	2,136	10,038	12,174
Less Reimbursement from Nat'l Flood Ins. Fund	...	(9,568)	(44,154)	(53,722)	...	(10,083)	(48,092)	(58,175)	...	(10,083)	(48,092)	(58,175)	...	(10,361)	(48,092)	(58,453)	...	(278)	...	(278)
Subtotal, Mitigation Programs	231	5,746	18,094	23,840	232	5,706	17,956	23,662	232	5,847	18,956	24,803	258	7,705	28,994	36,699	26	1,858	10,038	11,896
Flood Insurance Operations	54	4,268	...	4,268	54	3,998	...	3,998	54	3,998	...	3,998	54	3,998	...	3,998	...	...	...	...
Less Reimbursement from Nat'l Flood Ins. Fund	...	(4,268)	...	(4,268)	...	(3,998)	...	(3,998)	...	(3,998)	...	(3,998)	...	(3,998)	...	(3,998)	...	...	...	...
Subtotal, Flood Insurance Operations	54	...	...	...	54	...	...	...	54	...	...	...	54	...	...	...	...	...	...	...
Regional Program Direction	102	9,705	...	9,705	120	10,298	...	10,298	115	10,260	...	10,260	115	10,260	...	10,260	...	...	...	...
Executive Direction	213	15,206	1,557	16,763	247	16,424	2,150	18,574	241	16,368	1,242	17,610	241	16,368	1,242	17,610	...	...	...	...
TOTAL, Operating Accounts	2,419	157,610	251,182	408,792	2,513	165,516	222,960	388,476	2,430	160,409	212,960	373,369	2,531	168,431	220,345	388,776	101	8,022	7,385	15,407
Defense Related (054)	1,212	69,616	197,522	267,138	1,204	73,813	167,677	241,490	1,131	67,941	154,435	222,376	1,071	64,572	139,932	204,504	(60)	(3,369)	(14,503)	(17,872)
Disaster Relief and Insurance (Domestic - 453)	1,207	87,994	53,660	141,654	1,309	91,703	55,283	146,986	1,299	92,468	58,525	150,993	1,460	103,859	80,413	184,272	161	11,391	21,888	33,279
1992 Disaster Supplemental Carryover (S&E)	...			...	...			...	40			[5,000]	40			[5,000]	...			...
Disaster Relief Fund	...			2,553,904	...			292,000	...			292,000	...			320,000	...			28,000
Disaster Loan Subsidy/Administrative Expenses	...			10,169	...			95	...			95	...			2,513	...			2,418
Inspector General	55			3,973	70			4,800	70			4,350	70			4,500	...			150
Emergency Food and Shelter	...			128,992	...			123,000	...			130,000	...			...	...			(130,000)
National Insurance Development Fund	6			2,120	6			642	6			2,234	6			2,516	...			282
National Flood Insurance Fund	...			...	...			...	...			3,626	...			...	...			(3,626)
Bequests and Gifts (Disaster Relief)	...			65	...			57	...			51	...			57	...			6
Offsetting Receipts:																				
Disaster Relief - Bequests and Gifts	...			(65)	...			(57)	...			(51)	...			(57)	...			(6)
Radiological Emergency Preparedness (REP)	...			(10,495)	...			(11,525)	...			(11,525)	...			(11,525)	...			...
Reimbursable Workyears	101			...	88			...	70			...	70			...	...			...
TOTAL, FEMA	2,581			3,097,455	2,677			797,488	2,616 *			794,149	2,717			706,780	101			(87,369)

*Authorized workyear ceiling of 2,677 per E.O. 12839, "Reduction of 100,000 Federal Positions".

NOTE: Excludes pending 1994 supplemental request for Disaster Relief and Emergency Management Planning and Assistance (Mitigation Programs)

FEDERAL EMERGENCY MANAGEMENT AGENCY
Explanation of 1995 Structure Changes

Response and Recovery. This new activity consolidates the resources of the Agency devoted to building a capability to respond to any emergency or disaster and to assist in recovery efforts from such events. Federal response planning, national security planning, and maintenance and deployment of FEMA's Mobile Emergency Response Support (MERS) detachments and the Mobile Air Transportable Telecommunications System (MATTS) are carried out under this activity, as well as administration of the Disaster Relief Fund.

Operations Support. This activity includes many of the Agency-wide support elements such as procurement, security, and various administrative services and incorporates resources for the operation and maintenance of emergency networks, situation assessment systems, information systems and engineering services.

Preparedness, Training and Exercises. FEMA's varied efforts in the preparedness and exercise arenas are centralized under this new activity, as are the majority of agency training initiatives. The co-existence of training and exercises under one organizational and budget element will further the Agency's efforts to adequately prepare the Federal, State and local principals involved in any disaster related response, regardless of its cause.

Mitigation Programs. Because the furtherance of mitigation strategies is high on FEMA's priority list, this new activity has been formed to integrate and emphasize our earthquake, flood, and other natural hazards mitigation programs.

Flood Insurance Operations. This was formerly identified as Insurance Activities under the Flood Mitigation and Insurance activity. Resources provide oversight and administration of the insurance component of the National Flood Insurance Program.

Fire Prevention and Training. This activity includes all of the programs formerly included in the Fire Prevention and Hazard Mitigation activity (i.e., the United States Fire Administration and the National Fire Academy), with the exception of the training and exercise resources associated with the hazardous materials program and Title III of the Superfund Amendments and Reauthorization Act. Additionally, all agency resources to support the administration of the National Emergency Training Center are now consolidated under this activity.

Executive Direction. This new activity is composed of programs previously part of Management and Administration, such as the Director's Office, Human Resources Management, Emergency Information and Public Affairs, Congressional and Governmental Affairs, Financial Management, and General Counsel, and includes a new office of Policy and Assessment.

FEDERAL EMERGENCY MANAGEMENT AGENCY BUDGET RESTRUCTURE CROSSWALK
(DOLLARS IN THOUSANDS)

	1995 Request			
1994 STRUCTURE	WY	S&E	EMPA	TOTAL
I. FEDERAL PLANNING AND RESPONSE				
A. Emergency Planning and Readiness				
1. Response Plng & Exercises	39	$2,499	$1,282	$3,781
2. Preparedness and Capabilities	83	4,909	2,285	7,194
Subtotal, Emergency Planning and Readiness	122	7,408	3,567	10,975
B. Emergency Response				
1. Warning and Coordination	38	2,126	599	2,725
2. Situation Assessment	19	1,343	500	1,843
3. Emergency Field Response	271	16,325	3,105	19,430
Subtotal, Emergency Response	328	19,794	4,204	23,998
C. Emergency Support Services				
1. Engineering Services	24	1,546	1,320	2,866
2. National Networks	199	12,123	16,974	29,097
3. Logistics and Operations	214	12,704	7,527	20,231
Subtotal, Emergency Support Services	437	26,373	25,821	52,194
D. National Security	15	864	5,157	6,021
TOTAL, FEDERAL PLANNING AND RESPONSE	902	54,439	38,749	93,188

	1995 Request			
1995 PROPOSED STRUCTURE	WY	S&E	EMPA	TOTAL
RESPONSE AND RECOVERY				
From the following:				
I. A. 1. Resp. Plng. & Exercises (partial)	30	$1,947	$782	$2,729
I. A. 2. Prep. & Capabil. (partial)	35	1,974	724	2,698
I. B. 1. Warn. & Coord (all)	38	2,126	599	2,725
I. B. 3. Emerg. Field Resp. (MERS/MATTS) (partial)	262	15,831	2,297	18,128
I. C. 3. Logistics & Ops. (MERS log.) (partial)	6	326	4,223	4,549
I. D. National Security (all)	15	864	5,157	6,021
Subtotal, from Fed. Plng. & Response	386	23,068	13,782	36,850
VIII. Disaster Assistance (partial)	304	19,861	0	19,861
TOTAL, RESPONSE AND RECOVERY	690	42,929	13,782	56,711
OPERATIONS SUPPORT				
From the following:				
I. A. 2. Prep. & Capabil. (Acq. Mgmt., Security)(partial)	9	540	653	1,193
I. B. 2. Situation Assessment (all)	19	1,343	500	1,843
I. B. 3. Emerg. Field Resp. (IPS O&M, safety officer) (part).	9	494	808	1,302
I. C. 1. Engineering Services (all)	24	1,546	1,320	2,866
I. C. 2. National Networks (all)	199	12,123	16,974	29,097
I. C. 3. Logistics & Ops. (log. mgmt.) (partial)	7	1,800	560	2,360
Subtotal, from Fed. Plng. & Response	267	17,846	20,815	38,661
X. D. 2. Acquisition Mgmt. (all)	31	1,956	0	1,956
X. D. 3. Administrative Support (all)	64	3,252	0	3,252
X. D. 5. Security Management (all)	10	1,188	0	1,188
X. D. 6. Rental Charges (all)	0	12,345	0	12,345
X. D. 7. Other Administrative (all)	0	3,321	0	3,321
X. F. 1. Info. Sys. (all)	25	1,837	0	1,837
X. F. 2. Administrative Telephones (all)	0	2,073	0	2,073
X. F. 3. Office Automation (all)	0	85	0	85
Subtotal, from Management & Administration	130	26,057	0	26,057
TOTAL, OPERATIONS SUPPORT	397	43,903	20,815	64,718

FEDERAL EMERGENCY MANAGEMENT AGENCY BUDGET RESTRUCTURE CROSSWALK
(DOLLARS IN THOUSANDS)

	1995 Request			
1994 STRUCTURE	WY	S&E	EMPA	TOTAL
II. STATE & LOCAL PLANNING AND RESPONSE				
A. Emergency Planning and Response				
1. Emergency Management Assistance	26	$1,397	$70,628	$72,025
2. Other State and Local Assistance	78	4,577	19,793	24,370
3. Emergency Facilities and Equipment	65	4,159	10,762	14,921
Subtotal, Emergency Planning and Response	169	10,133	101,183	111,316
B. Instructional Programs and Systems	60	3,369	9,550	12,919
TOTAL, STATE AND LOCAL PLANNING AND RESPONSE	229	13,502	110,733	124,235

	1995 Request			
1995 PROPOSED STRUCTURE	WY	S&E	EMPA	TOTAL
PREPAREDNESS, TRAINING AND EXERCISES				
From the following:				
I. A. 1. Resp. Plng. & Exercises (exercises)(partial)	9	$552	$500	$1,052
I. A. 2. Prep. & Capabil. (mob. prep. & exercises)(partial)	39	2,395	908	3,303
I. C. 3. Logistics & Ops. (SF) (partial)	201	10,578	2,744	13,322
Subtotal, from Fed. Plng. & Response	249	13,525	4,152	17,677
II. A. 1. Emerg. Mgmt. Assistance (all)	26	1,397	70,628	72,025
II. A. 2. Other State & Local Assist. (partial)	78	4,577	19,793	24,370
II. A. 3. Emerg. Facilities & Equip. (all)	65	4,159	10,762	14,921
II. B. Instructional Progs. & Sys. (partial)	47	2,971	7,779	10,750
Subtotal, from S&L Plng. & Response	216	13,104	108,962	122,066
VI. A. Radiological Emerg. Prep. (all)	90	5,914	5,611	11,525
IV. B. Instruction Progs. & Sys. (all)	54	3,328	10,186	13,514
IV. C. Fed. Response Trng. (all)	35	2,600	2,300	4,900
Subtotal, from Emerg. Mgmt. Training	89	5,928	12,486	18,414
VIII. Disaster Assistance (DPIG)(partial)	1	60	0	60
IX. Emergency Food & Shelter (all)	0	0	0	0
X. D. 4. Human Resource Mgmt. (employee trng.) (partial)	6	1,546	0	1,546
TOTAL, PREPAREDNESS, TRAINING AND EXERCISES	651	40,077	131,211	171,288

FEDERAL EMERGENCY MANAGEMENT AGENCY BUDGET RESTRUCTURE CROSSWALK
(DOLLARS IN THOUSANDS)

	1995 Request					1995 Request			
1994 TRUCTURE	WY	S&E	EMPA	TOTAL	1995 PROPOSED STRUCTURE	WY	S&E	EMPA	TOTAL
III. FIRE PREVENTION AND HAZARD MITIGATION					**FIRE PREVENTION & TRAINING (USFA)**				
					From the following:				
					II. B. Instructional Progs. & Sys. (partial)	13	$398	$1,771	$2,169
					IV. A. NETC Site Administration (all)	0	0	749	749
A. NETC Site Administration	22	$1,681	$7,962	$9,643	III. A. NETC Site Administration (all)	22	1,681	7,962	9,643
					Subtotal, NETC Site Administration	35	2,079	10,482	12,561
B. Fire and Hazard Mitigation	30	2,008	8,120	10,128	III. B. Fire & Hazard Mitigation (all)	30	2,008	8,120	10,128
C. Instructional Programs and Systems	60	3,102	5,699	8,801	III. C. Instructional Programs & Systems (all)	60	3,102	5,699	8,801
TOTAL, FIRE PREVENTION AND HAZARD MITIGATION	112	6,791	21,781	28,572	TOTAL, FIRE PREVENTION & TRAINING	125	7,189	24,301	31,490
IV. EMERGENCY MANAGEMENT TRAINING									
A. NETC Site Administration	0	0	749	749					
B. Instructional Programs and Systems	54	3,328	10,186	13,514					
C. Federal Response Training	35	2,600	2,300	4,900					
TOTAL, EMERGENCY MANAGEMENT TRAINING	89	5,928	13,235	19,163					
V. EARTHQUAKE AND OTHER NATURAL HAZARDS					**MITIGATION PROGRAMS**				
					From the following:				
A. National Earthquake Program	55	4,571	20,430	25,001	V. A. National Earthquake Program (all)	55	4,571	20,430	25,001
B. Hurricane/Dam Safety/Other Activities	34	2,484	8,564	11,048	V. B. Hurricane/Dam Safety/Other (all)	34	2,484	8,564	11,048
TOTAL, EARTHQUAKE AND OTHER NATURAL HAZARDS	89	7,055	28,994	36,049	Subtotal, from Earthquake & Other Natural Hazards	89	7,055	28,994	36,049
VI. TECHNOLOGICAL HAZARDS					VII. A. Flood Plain Management (all)	159	10,361	48,092	58,453
					Less Fees from Policyholders	0	(10,361)	(48,092)	(58,453)
A. Radiological Emergency Preparedness	90	5,914	5,611	11,525	Subtotal, from Mitigation & Insurance	159	0	0	0
TOTAL, TECHNOLOGICAL HAZARDS	90	5,914	5,611	11,525	VIII. Disaster Assistance (Haz. Mit.)(partial)	10	650	0	650
					TOTAL, MITIGATION PROGRAMS	258	7,705	28,994	36,699
VII. FLOOD MITIGATION AND INSURANCE					**FLOOD INSURANCE OPERATIONS**				
A. Flood Plain Management	159	10,361	48,092	58,453					
B. Insurance Activities	54	3,998	0	3,998	From: VII. B. Insurance Activities (all)	54	3,998	0	3,998
Subtotal, Flood Mitigation and Insurance	213	14,359	48,092	62,451					
Less Fees from Policyholders	0	(14,359)	(48,092)	(62,451)	Less Fees from Policyholders	0	(3,998)	0	(3,998)
TOTAL, FLOOD MITIGATION AND INSURANCE	213	0	0	0	TOTAL, FLOOD INSURANCE OPERATIONS	54	0	0	0
VIII. DISASTER ASSISTANCE	315	20,571	0	20,571					
IX. EMERGENCY FOOD AND SHELTER (S&E)	0	0	0	0					

FEDERAL EMERGENCY MANAGEMENT AGENCY BUDGET RESTRUCTURE CROSSWALK
(DOLLARS IN THOUSANDS)

1994 STRUCTURE	1995 Request WY	1995 Request S&E	1995 Request EMPA	1995 Request TOTAL	1995 PROPOSED STRUCTURE	1995 Request WY	1995 Request S&E	1995 Request EMPA	1995 Request TOTAL
X. MANAGEMENT AND ADMINISTRATION					**EXECUTIVE DIRECTION**				
A. Office of the Director	22	$1,874	$89	$1,963	A. Director (includes Ombudsman)(from X.A.–partial)	12	$1,134	$0	$1,134
B. External Affairs	27	2,064	919	2,983	B. Policy and Assessment (from X.A.–partial)	10	740	89	829
C. General Counsel	22	1,699	0	1,699	C. General Counsel (from X.C.–all)	22	1,699	0	1,699
D. Management Services					D. Congressional & Governmental Aff. (from X.B.–partial)	13	1,001	0	1,001
1. Chief of Staff	0	0	0	0	E. Emergency Info. & Public Affairs (from X.B.–partial)	14	1,063	919	1,982
2. Acquisition Management	31	1,956	0	1,956					
3. Administrative Support	64	3,252	0	3,252					
4. Human Resources Management	64	4,963	0	4,963	F. Human Resources Management (from X.D.4.–partial)	53	3,097	0	3,097
5. Security Management	10	1,188	0	1,188	G. Equal Rights (from X.D.4–partial)	5	320	0	320
6. Rental Charges	0	12,345	0	12,345					
7. Other Administrative	0	3,321	0	3,321					
Subtotal, Management Services	169	27,025	0	27,025					
E. Financial Management	112	7,314	234	7,548	H. Financial Management (from X.E.–all)	112	7,314	234	7,548
F Information Services									
1. Information Systems	25	1,837	0	1,837					
2. Administrative Telephones	0	2,073	0	2,073					
3. Office Automation	0	85	0	85					
TOTAL, MANAGEMENT AND ADMINISTRATION	377	43,971	1,242	45,213	TOTAL, EXECUTIVE DIRECTION	241	16,368	1,242	17,610
XI. REGIONAL PROGRAM DIRECTION									
A. Regional Program Management	110	9,900	0	9,900					
B. Regional Program Liaison	5	360	0	360					
TOTAL, REGIONAL PROGRAM DIRECTION	115	10,260	0	10,260	**REGIONAL PROGRAM DIRECTION (SAME)**	115	10,260	0	10,260
TOTAL, FEMA	2,531	168,431	220,345	388,776	TOTAL, FEMA	2,531	168,431	220,345	388,776

BASIC AUTHORITIES
FEDERAL EMERGENCY MANAGEMENT AGENCY
BUDGET ESTIMATES FOR 1995

The Federal Emergency Management Agency (FEMA) was established by the President in Reorganization Plan No. 3 of 1978. The Agency operates under various statutory and executive authorities to carry out a wide range of program responsibilities for emergency planning, preparedness, response and recovery, and hazard mitigation. These include the following:

- **Federal Civil Defense Act of 1950, as amended, 50 U.S.C. App. 2251, et seq.**
  Response and Recovery
  Preparedness, Training and Exercises
  Operations Support

- **Earthquake Hazards Reduction Act of 1977, as amended, 42 U.S.C. 7701, et. seq.**
  Mitigation

- **Executive Order 12148 of July 20, 1979, "Federal Emergency Management", as amended, 3 CFR, 1979 Comp., p. 412.**
  Preparedness, Training and Exercises
  Mitigation
  Response and Recovery
  Operations Support

- **Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011, 2210 et seq. and 94 Stat. 780, Nuclear Regulatory Commission Appropriation Authorization of 1980, Public Law 96-295.**
  Preparedness, Training and Exercises

- **Executive Order 12657 of November 18, 1988, "Federal Emergency Management Agency Assistance in Emergency Preparedness Planning at Commercial Nuclear Power Plants", 3 CFR, 1988 Comp., p. 611.**
  Preparedness, Training and Exercises

- **National Security Act of 1947, as amended, 50 U.S.C. 404-405,411.**
  Response and Recovery
  Preparedness, Training and Exercises
  Operations Support

- **Defense Production Act of 1950, as amended, 50 U.S.C. 2061 et seq.**
  - Response and Recovery
  - Preparedness, Training and Exercises
  - Operations Support

- **Federal Fire Prevention and Control Act of 1974, 15 U.S.C. 2201 et seq.**
  - Fire Prevention and Training

- **National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001 et seq.**
  - Flood Insurance Operations
  - Mitigation
  - National Flood Insurance Fund

- **Urban Property Protection and Reinsurance Act of 1968, as amended, 12 U.S.C. 1749bbb et seq.**
  - National Insurance Development Fund

- **Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq.**
  - Preparedness, Training and Exercises
  - Mitigation
  - Response and Recovery
  - Operations Support
  - Disaster Relief Fund

- **Inspector General Act of 1978, as amended, 5 U.S.C. App.1-12.**
  - Office of Inspector General

- **Stewart B. McKinney Homeless Assistance Act of 1987, as amended, 42 U.S.C. 11331 et seq.**
  - Preparedness, Training and Exercises

- **Executive Order 10480 of August 14, 1953, "Further providing for the administration of the defense mobilization program", 3 CFR, 1949-1953 Comp., p. 962, as amended, 50 U.S.C. App. 2153, note.**
  - Response and Recovery
  - Operations Support
  - Preparedness, Training and Exercises

- **Executive Order 12656 of November 18, 1988, "Assignment of Emergency Preparedness Responsibilities", 3 CFR, 1988 Comp., p. 585.**
  Response and Recovery
  Operations Support
  Preparedness, Training and Exercises

- **Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. 9604 9604 et seq.**
  Preparedness, Training and Exercises

- **Hazardous Materials Transportation Act, as amended 49 U.S.C. 1801 et seq.**
  Preparedness, Training and Exercises

- **Executive Order 12699 of January 5, 1990, "Seismic Safety of Federal and Federally Assisted or Regulated New Building Construction", 3 CFR, 1990 Comp., p. 269.**
  Mitigation

- **Reorganization Plan No. 3 of 1978, 3 CFR, 1978 Comp., p. 329, 5 U.S.C. App. 1, note.**
  Executive Direction

- **Agency Chief Financial Officers Act of 1990, 31 U.S.C. 901 et seq.**
  Executive Direction

- **Executive Order 12472 of April 3, 1984, "Assignment of National Security and Emergency Preparedness Telecommunications Functions", 3 CFR, 1984 Comp., p. 193.**
  Preparedness, Training and Exercises
  Operations Support
  Response and Recovery

FEDERAL EMERGENCY MANAGEMENT AGENCY
Supplemental Tables
Funding by Basic Authorities Where Reauthorization Is Required

AUTHORITY/ACTIVITY	1993 Actual Obligations				1994 Current Estimate				1995 Request				Difference			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
Federal Civil Defense Act of 1950, as amended:																
Preparedness, Training & Exercises	218	$13,124	$116,210	$129,334	225	$13,656	$109,462	$123,118	225	$13,656	$109,462	$123,118	...	...	...	...
Response & Recovery	60	3,648	1,583	5,231	56	3,547	782	4,329	56	3,547	782	4,329	...	...	...	...
Operations Support	56	2,882	17,554	20,436	64	4,511	10,950	15,461	64	4,511	8,450	12,961	...	...	($2,500)	($2,500)
Total, Civil Defense	334	19,654	135,347	155,001	345	21,714	121,194	142,908	345	21,714	118,694	140,408	...	...	(2,500)	(2,500)
Earthquake Hazards Reduction Act of 1977, as amended:																
Mitigation	43	3,670	16,572	20,242	45	3,773	16,430	20,203	55	4,571	20,430	25,001	10	$798	4,000	4,798
Federal Fire Prevention & Control Act of 1974, as amended:																
Fire Prevention and Training (USFA)	120	6,973	24,328	31,301	125	7,189	24,301	31,490	125	7,189	24,301	31,490	...	..	...	...
Stewart B. McKinney Homeless Assistance Act of 1987, as amended:																
Preparedness, Training & Exercises	5	[303]		129,295	5	[322]		130,322	...	...		...	(5)	[-322]		(130,322)
Urban Property Protection and Reinsurance Act of 1968, as amended:																
National Insurance Development Fund	6			2,120	6			2,234	6			2,516	...			282
National Flood Insurance Act of 1968, as amended:																
National Flood Insurance Fund				...				3,626				...				(3,626)
Mitigation	(152)	[9,568]	[44,154]	[53,722]	(154)	[10,083]	[48,092]	[58,175]	(159)	[10,361]	[48,092]	[58,453]	(5)	[278]	...	[278]
Flood Insurance Operations	(54)	[4,268]	...	[4,268]	(54)	[3,998]	...	...	(54)	[3,998]	...	...	...	...	...	...

Amounts in [ ] included in total.

FEDERAL EMERGENCY MANAGEMENT AGENCY
Supplemental Tables
Fee Supported Programs

ACTIVITY/PROGRAM	1993 Actual Obligations				1994 Current Estimate				1995 Request				Difference			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
Preparedness, Training & Exercises (REP program)	91	$5,893	$4,602	$10,495	90	$5,914	$5,611	$11,525	90	$5,914	$5,611	$11,525	—	—	—	—
Collections in the National Flood Insurance Fund:																
Mitigation (Flood Plain Management)	152	9,568	44,154	53,722	154	10,083	48,092	58,175	159	10,361	48,092	58,453	5	$278	...	$278
Flood Insurance Operations	54	4,268	...	4,268	54	3,998	...	3,998	54	3,998	...	3,998	...	...	...	...
Adjustment				(484)				...				...				...
Investment Income				28,036				...				...				...
Flood Insurance Premiums				677,262				724,689				774,657				49,968
Total Collections, National Flood Insurance Fund				762,804				786,862				837,108				50,246
Crime Insurance Premiums	6			5,164	6			4,663	6			4,284	—			(379)

FEDERAL EMERGENCY MANAGEMENT AGENCY
Supplemental Tables
Grants

ACTIVITY/PROGRAM	1993 Actual Obligations			1994 Current Estimate			1995 Request			Difference		
	EMPA	OTHER	TOTAL	EMPA	OTHER	TOTAL	EMPA	OTHER	TOTAL	EMPA	OTHER	TOTAL
PASS – THROUGH												
Mitigation:												
Earthquake	$5,087	...	$5,087	$5,365	...	$5,365	$6,860	...	$6,860	$1,495	...	$1,495
Hurricane	151	...	151	1,260	...	1,260	5,187	...	5,187	3,927	...	3,927
Hazard Mitigation	188	...	188	188	...	188	188	...	188	...	...	...
Flood Hazard Reduction	3,754	...	3,754	4,200	...	4,200	4,200	...	4,200	...	...	...
Subtotal, Mitigation	9,180	...	9,180	11,013	...	11,013	16,435	...	16,435	5,422	...	5,422
Preparedness, Training & Exercises:												
Emergency Management Assistance	68,628	..	68,628	70,628	...	70,628	70,628		70,628	...	...	...
Other (Other funding for State personnel, i.e., Population Protection Planners, Radiological Defense Officers, etc.	17,912	...	17,912	18,953		18,953	19,853		19,853	900	...	900
Facilities and Equipment (EBS,EOC)	6,674	...	6,674	4,807	...	4,807	4,807	...	4,807	...	...	...
Training – Emergency Management Institute (EMI)	6,003	...	6,003	5,955	...	5,955	5,955	...	5,955	...	...	...
Hazardous Materials, SARA Title III	260	...	260	200	...	200	200	...	200	...	...	...
SARA Title III	2,989	...	2,989	5,000	...	5,000	5,000	...	5,000	...	...	...
Disaster Preparedness Improvement Grants	...	$2,539	2,539	...	$2,500	2,500	...	$2,500	2,500	...	...	...
Subtotal, Preparedness, Training & Exercises	102,466	2,539	105,005	105,543	2,500	108,043	106,443	2,500	108,943	900	...	900
Operations Support:												
National Networks	35	...	35	...	...	...	...	...	...	...	...	...
Fire Prevention and Training:												
Instructional Programs and Systems (NFA)	69	...	69	...	...	...	...	...	...	...	...	...
Response & Recovery :												
Infrastructure (formerly Public Assistance)	...	1,059,561	1,059,561	...	530,000	530,000	...	300,000	300,000	...	($230,000)	(230,000)
TOTAL, PASS THROUGH GRANTS	111,750	1,062,100	1,173,850	116,556	532,500	649,056	122,878	302,500	425,378	6,322	(230,000)	(223,678)
OTHER												
Mitigation:												
Earthquake	2,365	...	2,365	...	...	...	...	...	...	...	...	...
Hurricane	5	...	5	...	...	...	...	...	...	...	...	...
Flood Hazard Reduction	522	...	522	...	...	...	...	...	...	...	...	...
Subtotal, Mitigation	2,892	...	2,892	...	...	...	...	...	...	...	...	...
Response and Recovery:												
Planning, Exercises and Response	324	...	324	...	...	...	...	...	...	...	...	...
Other (from the Disaster Relief Fund; e.g., Human Services)	...	780,207	780,207	...	680,341	680,341	..	457,025	457,025	...	(223,316)	(223,316)
Subtotal, Response and Recovery	324	780,207	780,531	...	680,341	680,341	...	457,025	457,025	...	(223,316)	(223,316)
Preparedness, Training & Exercises												
Facilities and Equipment (EBS,EOC)	451	...	451	...	...	...	...	..	...	...	...	...
Training – EMI (e.g., student stipends)	1,378	...	1,378	890	...	890	890	...	890	...	...	...
Hazardous Materials, SARA Title III	655	...	655	...	...	...	...	...	...	...	...	...
Subtotal, Preparedness, Training & Exercises	2,484	...	2,484	890	...	890	890	..	890	...	...	...
Fire Prevention and Training:												
Fire and Hazard Mitigation (US Fire Administration)	2,288	..	2,288	2,202	...	2,202	2,100	...	2,100	(102)	...	(102)
Instructional Programs and Systems (e.g., NFA Stipends)	1,152	...	1,152	1,470	...	1,470	1,470	...	1,470	...	...	...
Subtotal, Fire Prevention and Training	3,440	...	3,440	3,672	...	3,672	3,570	...	3,570	(102)	...	(102)
Executive Direction:												
Challenge Grants	...	...	...	25	...	25	...	..	...	(25)	...	(25)
TOTAL, OTHER GRANTS	9,140	780,207	789,347	4,587	680,341	684,928	4,460	457,025	461,485	(127)	(223,316)	(223,443)
GRAND TOTAL, GRANTS	120,890	1,842,307	1,963,197	121,143	1,212,841	1,333,984	127,338	759,525	886,863	6,195	(453,316)	(447,121)

FEDERAL EMERGENCY MANAGEMENT AGENCY
Supplemental Tables
Executive Direction

OFFICE	1993 Actual Obligations				1994 Current Estimate				1995 Request				Difference			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
Office of the Director	8	$819	...	$819	12	$1,134	...	$1,134	12	$1,134	...	$1,134	...	...	...	...
Policy & Assessment	10	713	...	713	10	740	$89	829	10	740	$89	829	...	...	...	...
General Counsel	21	1,528	...	1,528	22	1,699	...	1,699	22	1,699	...	1,699	...	...	...	...
Congressional and Governmental Affairs	8	715	...	715	13	1,001	...	1,001	13	1,001	...	1,001	...	...	...	...
Emergency Information & Public Affairs	13	938	$1,257	2,195	14	1,063	919	1,982	14	1,063	919	1,982	...	...	...	...
Human Resources Management	48	3,197	...	3,197	53	3,097	...	3,097	53	3,097	...	3,097	...	...	...	...
Equal Rights	5	249	...	249	5	320	...	320	5	320	...	320	...	...	...	...
Financial Management	100	7,047	300	7,347	112	7,314	234	7,548	112	7,314	234	7,548	...	...	...	...
Total, Executive Direction	213	15,206	1,557	16,763	241	16,368	1,242	17,610	241	16,368	1,242	17,610	...	...	...	...

FEDERAL EMERGENCY MANAGEMENT AGENCY
Supplemental Tables
Reimbursable Programs

ACTIVITY/PROGRAM	1993 Actual Obligations				1994 Current Estimate				1995 Request				Difference			
	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL	WY	S&E	EMPA	TOTAL
From FEMA funds:																
Mitigation (Flood Plain Management – from NFIF)	152	$9,568	$44,154	$53,722	154	$10,083	$48,092	$58,175	159	$10,361	$48,092	$58,453	5	$278	...	$278
Flood Insurance Operations	54	4,268	...	4,268	54	3,998	...	3,998	54	3,998	...	3,998	...	...	...	...
Disaster Loan Administrative Expenses				95				95				95				...
From Other Sources:																
Chemical Stockpile Emergency Prep. Program (CSEPP)*	35	2,393	59,210	61,603	28	2,202	43,327	45,529	28	2,295	26,762	29,057	...	93	($16,565)	(16,472)
CERCLA	17	857	...	857	15	1,824	...	1,824	15	1,824	...	1,824	...	...	...	...
Other	49	1,896	3,819	5,715	27	2,484	4,581	7,065	27	522	6,146	6,668	...	(1,962)	1,565	(397)
Total, Reimbursable Programs**	101	18,982	107,183	126,260	70	20,591	96,000	116,686	70	19,000	81,000	100,095	...	(1,591)	(15,000)	(16,591)

* 1994 & 1995 levels are still in negotiation.
** Flood workyears are counted in the directly funded total and are not included in the total for reimbursable programs.

SALARIES AND EXPENSES
Appropriation Language

For necessary expenses, not otherwise provided for, including hire and purchase of motor vehicles (31 U.S.C. 1343); uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18; expenses of attendance of cooperating officials and individuals at meetings concerned with the work of emergency preparedness; transportation in connection with the continuity of Government programs to the same extent and in the same manner as permitted the Secretary of a Military Department under 10 U.S.C. 2632; and not to exceed $2,500 for official reception and representation expenses; [$160,409,000] $168,431,000.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

ADMINISTRATIVE PROVISION

The Director of the Federal Emergency Management Agency shall promulgate through rulemaking a [schedule] methodology for assessment and collection of fees to be assessed and collected beginning in fiscal year 1995 and in each fiscal year thereafter, applicable to persons subject to the Federal Emergency Management Agency's radiological emergency preparedness regulations. The aggregate charges assessed pursuant to this section [during fiscal year 1994] in a fiscal year shall approximate[, but not be less than] 100 per centum of the amounts anticipated by the Federal Emergency Management Agency to be obligated for its radiological emergency preparedness program for such fiscal year. The [schedule] methodology for assessment and collection of fees shall be fair and equitable, and shall reflect the full amount of [direct and indirect] costs [incurred through the provision of regulatory services] of providing radiological emergency planning, preparedness, response and associated services. Such fees will be assessed in a manner that reflects the use of agency resources [for classes of regulated persons and the administrative costs of collecting such fees]. Fees received pursuant to this section shall be deposited in the general fund of the Treasury as offsetting receipts. [Assessment and collection of such fees are only authorized during fiscal year 1994.]

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

SALARIES AND EXPENSES
Appropriation Overview

This appropriation encompasses the salaries and expenses required to provide executive direction, staff support, and direct program effort to FEMA's programs in both the Headquarters and field offices. Program support activities provide the necessary resources to administer the Agency's various programs. The Executive Direction activity provides for the general management of the Agency in legal, congressional, intergovernmental, and public affairs, and personnel and financial management.

APPROPRIATION SUMMARY
SALARIES AND EXPENSES
(Dollars in Thousands)

Summary of Estimates by Activity	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Response and Recovery	$45,524	$44,127	$41,179	$42,929	$1,750
Planning, Training and Exercises	32,825	37,757	35,663	40,077	4,414
Fire Prevention and Training	6,973	7,107	7,189	7,189	...
Operations Support	41,631	44,097	43,903	43,903	...
Mitigation Programs	5,746	5,706	5,847	7,705	1,858
Flood Insurance Operations	...	...	...	...	...
Regional Program Direction	9,705	10,298	10,260	10,260	...
Executive Direction	15,206	16,424	16,368	16,368	...
Total	157,610	165,516	160,409	168,431	8,022
Total, Salaries and Expenses:					
Budget Authority	159,409	165,516	160,409	168,431	8,022
Obligations	157,610	165,516	165,667*	173,431*	7,764
Budget Outlays	170,145	172,406	164,458	172,266	7,808
Transfer reimbursements from other FEMA accounts:					
Flood Mitigation and Insurance	9,568	10,083	10,083	10,361	278
Flood Insurance Operations	4,268	3,998	3,998	3,998	...
Administrative Expenses (Disaster Loans)	95	95	95	95	...

Change from Original 1994 Estimates. Reflects a Congressional general reduction of $5,107,000.

* Includes $5,000,000 from 1992 supplemental following Hurricanes Andrew and Iniki and Typhoon Omar. 1994 Current Estimate also includes $258,000 carryover in Mitigation Programs (Earthquake).

APPROPRIATION SUMMARY
WORKYEARS

Summary of Estimates by Activity	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Response and Recovery....................	694	701	665	690	25
Preparedness, Training and Exercises......	591	602	601	651	50
Fire Prevention and Training.............	120	125	125	125	...
Operations Support.......................	414	432	397	397	...
Mitigation Programs......................	231	232	232	258	26
Flood Insurance Operations...............	54	54	54	54	...
Regional Program Direction...............	102	120	115	115	...
Executive Direction......................	213	247	241	241	...
Total..................................	2,419	2,513	2,430	2,531	101
INSPECTOR GENERAL....................	55	70	70	70	...
NATIONAL INSURANCE DEVELOPMENT FUND..	6	6	6	6	...
REIMBURSABLE WORKYEARS...............	101	88	70	70	...
1992 DISASTER SUPPLEMENTAL CARRYOVER	...	...	40	40	...
TOTAL................................	2,581	2,677	2,616*	2,717	101

*Authorized workyear ceiling of 2,677 per E.O. 12839, "Reduction of 100,000 Federal Positions."

FEDERAL EMERGENCY MANAGEMENT AGENCY
SALARIES AND EXPENSES
(Dollars in Thousands)

	1993 Actual 1/	1994 Request	1994 Current Estimate 1/ 2/	1995 Request 2/	Increase/ Decrease
Personnel Compensation					
11.1 Full–time permanent	$97,722	$101,863	$107,280	$112,020	$4,740
11.3 Other than full–time permanent	2,292	117	67	102	35
11.5 Other personnel compensation	3,148	1,153	89	89	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	103,162	103,133	107,436	112,211	4,775
Personnel Benefits					
12.1 Civilian personnel	19,768	21,183	23,615	24,728	1,113
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non–personnel Costs					
21.0 Travel and transportation of persons	3,505	9,876	5,208	6,200	992
22.0 Transportation of things	161	340	175	185	10
23.1 Rental payments to GSA	12,619	12,619	13,545	13,870	325
23.2 Rental payments to others	201	80	128	128	...
23.3 Communications, utilities, and miscellaneous charges	3,279	4,577	3,967	3,638	(329)
24.0 Printing and reproduction	399	462	296	296	...
25.1 Consulting services	42	...	10	71	61
25.2 Other services	6,213	7,875	7,583	7,970	387
25.3 Purchases of goods and services from Government accounts	2,657	1,001	1,648	1,652	4
25.4 Operation of GOCOs	...	...	...	...	...
25.5 Research and development contracts	253	...	...	...	...
26.0 Supplies and materials	1,411	1,012	1,159	1,076	(83)
31.0 Equipment	3,937	3,358	897	1,406	509
32.0 Land and structures	3	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies, and contributions	...	...	...	...	...
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	157,610	165,516	165,667	173,431	7,764

1/ Includes carryover of $258,000 in the Earthquake program.
2/ Includes $5 million carryover from 1992 disaster supplemental.

SALARIES AND EXPENSES
RESPONSE AND RECOVERY
(Dollars in Thousands)

		1993 Actual	1994 Request	1994 Current 1/ Estimate	1995 1/ Request	Increase/ Decrease
Personnel Compensation						
11.1	Full-time permanent	$31,165	$30,380	$34,437	$35,627	$1,190
11.3	Other than full-time permanent	488	...	...	...	...
11.5	Other personnel compensation	1,633	555	...	...	...
11.8	Special personal services payments	...	...	...	...	...
11.9	Total personnel compensation	33,286	30,935	34,437	35,627	1,190
Personnel Benefits						
12.1	Civilian personnel	7,298	6,336	7,581	7,807	226
12.2	Military personnel	...	...	...	...	...
13.0	Benefits for former personnel	...	...	...	...	...
Non-personnel Costs						
21.0	Travel and transportation of persons	848	1,743	1,519	1,619	100
22.0	Transportation of things	80	175	75	125	50
23.1	Rental payments to GSA	...	...	...	325	325
23.2	Rental payments to others	64	...	...	...	...
23.3	Communications, utilities, and miscellaneous charges	215	608	958	633	(325)
24.0	Printing and reproduction	74	100	7	7	...
25.1	Consulting services	4	...	...	...	...
25.2	Other services	867	2,404	913	938	25
25.3	Purchases of goods and services from Government accounts	413	...	...	...	...
25.4	Operation of GOCOs	...	...	...	...	...
25.5	Research and development contracts	...	...	...	...	...
26.0	Supplies and materials	120	120	25	51	26
31.0	Equipment	2,255	1,706	664	797	133
32.0	Land and structures	...	...	...	...	...
33.0	Investments and loans	...	...	...	...	...
41.0	Grants, subsidies, and contributions	...	...	...	...	...
42.0	Insurance claims and indemnities	...	...	...	...	...
43.0	Interest and dividends	...	...	...	...	...
Total Obligations		45,524	44,127	46,179	47,929	1,750

1/Inclues $5 million carryover from 1992 disaster supplemental

SALARIES AND EXPENSES
PREPAREDNESS, TRAINING AND EXERCISES
(Dollars in Thousands)

		1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation						
11.1	Full-time permanent	$25,440	$25,232	$26,995	$29,237	$2,242
11.3	Other than full-time permanent	320	80	...	35	35
11.5	Other personnel compensation	553	292	...	...	...
11.8	Special personal services payments	...	...	...	...	...
11.9	Total personnel compensation	26,313	25,604	26,995	29,272	2,277
Personnel Benefits						
12.1	Civilian personnel	4,819	5,649	6,759	7,397	638
12.2	Military personnel	...	...	...	...	...
13.0	Benefits for former personnel	...	...	...	...	...
Non-personnel Costs						
21.0	Travel and transportation of persons	824	5,723	1,177	1,919	742
22.0	Transportation of things	17	104	...	...	...
23.1	Rental payments to GSA	...	...	...	...	...
23.2	Rental payments to others	...	...	...	...	...
23.3	Communications, utilities, and miscellaneous charges	...	28	...	...	...
24.0	Printing and reproduction	29	23	...	...	...
25.1	Consulting services	...	...	...	...	...
25.2	Other services	572	452	689	1,299	610
25.3	Purchases of goods and services from Government accounts	26	...	...	...	...
25.4	Operation of GOCOs	...	...	...	...	...
25.5	Research and development contracts	...	...	...	...	...
26.0	Supplies and materials	44	16	13	25	12
31.0	Equipment	181	158	30	165	135
32.0	Land and structures	...	...	...	...	...
33.0	Investments and loans	...	...	...	...	...
41.0	Grants, subsidies, and contributions	...	...	...	...	...
42.0	Insurance claims and indemnities	...	...	...	...	...
43.0	Interest and dividends	...	...	...	...	...
Total Obligations		32,825	37,757	35,663	40,077	4,414

SALARIES AND EXPENSES
FIRE PREVENTION AND TRAINING
(Dollars in Thousands)

		1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation						
11.1	Full-time permanent	$4,732	$4,929	$5,349	$5,349	...
11.3	Other than full-time permanent	289	37	5	5	...
11.5	Other personnel compensation	127	20	...	...	...
11.8	Special personal services payments	...	...	...	...	...
11.9	Total personnel compensation	5,148	4,986	5,354	5,354	...
Personnel Benefits						
12.1	Civilian personnel	1,010	1,018	1,062	1,062	...
12.2	Military personnel	...	...	...	...	...
13.0	Benefits for former personnel	...	...	...	...	...
Non-personnel Costs						
21.0	Travel and transportation of persons	240	395	303	303	...
22.0	Transportation of things	...	1	4	4	...
23.1	Rental payments to GSA	...	...	...	...	...
23.2	Rental payments to others	...	...	...	...	...
23.3	Communications, utilities, and miscellaneous charges	251	371	251	236	($15)
24.0	Printing and reproduction	3	6	5	5	...
25.1	Consulting services	...	...	...	...	...
25.2	Other services	133	160	119	119	...
25.3	Purchases of goods and services from Government accounts	...	...	...	...	...
25.4	Operation of GOCOs	...	...	...	...	...
25.5	Research and development contracts	...	...	...	...	...
26.0	Supplies and materials	85	68	79	79	...
31.0	Equipment	103	102	12	27	15
32.0	Land and structures	...	...	...	...	...
33.0	Investments and loans	...	...	...	...	...
41.0	Grants, subsidies, and contributions	...	...	...	...	...
42.0	Insurance claims and indemnities	...	...	...	...	...
43.0	Interest and dividends	...	...	...	...	...
Total Obligations		6,973	7,107	7,189	7,189	...

SALARIES AND EXPENSES
OPERATIONS SUPPORT
(Dollars in Thousands)

		1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation						
11.1	Full–time permanent	$18,304	$20,279	19,659	$19,659	...
11.3	Other than full–time permanent	222	...	...	...	...
11.5	Other personnel compensation	356	270	...	...	...
11.8	Special personal services payments	...	...	...	...	...
11.9	Total personnel compensation	18,882	20,549	19,659	19,659	...
Personnel Benefits						
12.1	Civilian personnel	3,354	4,222	3,965	3,965	...
12.2	Military personnel	...	...	...	...	...
13.0	Benefits for former personnel	...	...	...	...	...
Non–personnel Costs						
21.0	Travel and transportation of persons	265	360	192	192	...
22.0	Transportation of things	47	40	6	6	...
23.1	Rental payments to GSA	12,619	12,619	13,545	13,545	...
23.2	Rental payments to others	128	80	...	...	...
23.3	Communications, utilities, and miscellaneous charges	1,755	2,402	1,751	1,751	...
24.0	Printing and reproduction	247	300	250	250	...
25.1	Consulting services	26	...	...	...	...
25.2	Other services	2,215	2,200	2,598	2,598	...
25.3	Purchases of goods and services from Government accounts	1,447	750	1,397	1,397	...
25.4	Operation of GOCOs	...	...	...	...	...
25.5	Research and development contracts	...	...	...	...	...
26.0	Supplies and materials	498	350	509	480	($29)
31.0	Equipment	148	225	31	60	29
32.0	Land and structures	...	...	...	...	...
33.0	Investments and loans	...	...	...	...	...
41.0	Grants, subsidies, and contributions	...	...	...	...	...
42.0	Insurance claims and indemnities	...	...	...	...	...
43.0	Interest and dividends	...	...	...	...	...
Total Obligations		41,631	44,097	43,903	43,903	...

SALARIES AND EXPENSES
MITIGATION PROGRAMS
(Dollars in Thousands)

		1993 Actual	1994 Request	1994 Current 1/ Estimate	1995 Request	Increase/ Decrease
Personnel Compensation						
11.1	Full–time permanent	$3,734	$4,048	$4,029	$5,337	$1,308
11.3	Other than full–time permanent	181	...	...	...	...
11.5	Other personnel compensation	90	...	...	...	...
11.8	Special personal services payments	...	...	...	...	...
11.9	Total personnel compensation	4,005	4,048	4,029	5,337	1,308
Personnel Benefits						
12.1	Civilian personnel	704	771	798	1,047	249
12.2	Military personnel	...	...	...	...	...
13.0	Benefits for former personnel	...	...	...	...	...
Non–personnel Costs						
21.0	Travel and transportation of persons	705	835	1,101	1,251	150
22.0	Transportation of things	...	...	...	...	...
23.1	Rental payments to GSA	...	...	...	...	...
23.2	Rental payments to others	...	...	...	...	...
23.3	Communications, utilities, and miscellaneous charges	3	...	...	...	...
24.0	Printing and reproduction	5	...	...	...	...
25.1	Consulting services	10	...	...	...	...
25.2	Other services	163	27	167	33	(134)
25.3	Purchases of goods and services from Government accounts	... 41	...	...	...	...
25.4	Operation of GOCOs	...	...	...	...	...
25.5	Research and development contracts	...	...	...	...	...
26.0	Supplies and materials	22	5	...	5	5
31.0	Equipment	88	20	10	32	22
32.0	Land and structures	...	...	...	...	...
33.0	Investments and loans	...	...	...	...	...
41.0	Grants, subsidies, and contributions	...	...	...	...	...
42.0	Insurance claims and indemnities	...	...	...	...	...
43.0	Interest and dividends	...	...	...	...	...
Total Obligations		5,746	5,706	6,105	7,705	1,600

1/ Includes carryover of $258,000 in the Earthquake program.

SALARIES AND EXPENSES
REGIONAL PROGRAM DIRECTION
(Dollars in Thousands)

		1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation						
11.1	Full–time permanent	$4,353	$5,253	$5,205	$5,205	...
11.3	Other than full–time permanent	170	...	62	62	...
11.5	Other personnel compensation	123	...	89	89	...
11.8	Special personal services payments	...	...	...	...	...
11.9	Total personnel compensation	4,646	5,253	5,356	5,356	...
Personnel Benefits						
12.1	Civilian personnel	829	1,021	1,066	1,066	...
12.2	Military personnel	...	...	...	...	...
13.0	Benefits for former personnel	...	...	...	...	...
Non–personnel Costs						
21.0	Travel and transportation of persons	426	496	571	571	...
22.0	Transportation of things	16	20	90	50	($40)
23.1	Rental payments to GSA	...	...	...	...	...
23.2	Rental payments to others	2	...	128	128	...
23.3	Communications, utilities, and miscellaneous charges	1,053	1,162	1,007	1,018	11
24.0	Printing and reproduction	21	32	34	34	...
25.1	Consulting services	1	...	10	11	1
25.2	Other services	1,319	1,195	1,134	1,207	73
25.3	Purchases of goods and services from Government accounts	229	251	251	251	...
25.4	Operation of GOCOs	...	...	...	...	...
25.5	Research and development contracts	...	...	...	...	...
26.0	Supplies and materials	469	432	525	426	(99)
31.0	Equipment	691	436	88	142	54
32.0	Land and structures	3	...	...	...	...
33.0	Investments and loans	...	...	...	...	...
41.0	Grants, subsidies, and contributions	...	...	...	...	...
42.0	Insurance claims and indemnities	...	...	...	...	...
43.0	Interest and dividends	...	...	...	...	...
Total Obligations		9,705	10,298	10,260	10,260	...

SALARIES AND EXPENSES
EXECUTIVE DIRECTION
(Dollars in Thousands)

		1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation						
11.1	Full–time permanent	$9,994	$11,742	$11,606	$11,606	...
11.3	Other than full–time permanent	622	...	...	...	...
11.5	Other personnel compensation	266	16	...	...	...
11.8	Special personal services payments	...	...	...	...	...
11.9	Total personnel compensation	10,882	11,758	11,606	11,606	...
Personnel Benefits						
12.1	Civilian personnel	1,754	2,166	2,384	2,384	...
12.2	Military personnel	...	...	...	...	...
13.0	Benefits for former personnel	...	...	...	...	...
Non–personnel Costs						
21.0	Travel and transportation of persons	197	324	345	345	...
22.0	Transportation of things	1	...	...	...	...
23.1	Rental payments to GSA	...	...	...	...	...
23.2	Rental payments to others	7	...	...	...	...
23.3	Communications, utilities, and miscellaneous charges	2	6	...	...	...
24.0	Printing and reproduction	20	1	...	...	...
25.1	Consulting services	1	...	...	60	$60
25.2	Other services	944	1,437	1,963	1,776	(187)
25.3	Purchases of goods and services from Government accounts	501	...	...	4	4
25.4	Operation of GOCOs	...	...	...	...	...
25.5	Research and development contracts	253	...	...	...	...
26.0	Supplies and materials	173	21	8	10	2
31.0	Equipment	471	711	62	183	121
32.0	Land and structures	...	...	...	...	...
33.0	Investments and loans	...	...	...	...	...
41.0	Grants, subsidies, and contributions	...	...	...	...	...
42.0	Insurance claims and indemnities	...	...	...	...	...
43.0	Interest and dividends	...	...	...	...	...
Total Obligations		15,206	16,424	16,368	16,368	...

Salaries and Expenses.

A. Objective/Description. This appropriation encompasses the salaries and expenses required to provide executive direction, and administrative and staff support to the following FEMA activities:

1. **Response and Recovery.** This activity provides salaries and associated costs for permanent staff to implement response and recovery activities, including administration of the Disaster Relief Fund and other elements of the Federal Response Plan. This activity enables FEMA to assure timely, effective, self-supportive Federal response to catastrophic disasters. The National Security program is discussed in a separate submission.

2. **Preparedness, Training and Exercises.** This activity provides direction, oversight, and administrative support for developing, implementing, and improving programs designed to provide Federal, State, and local governments with the tools to effectively prepare for and respond to emergencies and disasters. Such programs include the training and exercises and the Radiological Emergency Preparedness Program (REP), staff and support for the international affairs activities conducted by the Agency; services for operation and maintenance of the Special Facility (SF); and policy guidance and support to the Emergency Food and Shelter (EFS) National Board.

3. **Fire Prevention and Training.** This activity provides funding for workyears and related expenses necessary to develop and deliver the programs that prepare Federal, State, and local officials, their supporting staffs, emergency first responders, volunteer groups, and the public to meet the responsibilities and challenges of domestic emergencies through planning, mitigation, preparedness, response, and long-term recovery. Fire prevention and hazard mitigation activities are developed and delivered through the United States Fire Administration (USFA). Educational programs are provided through the National Fire Academy (NFA), an element of USFA.

   Resources are devoted to the operation and maintenance of the NETC facility and provide admissions, procurement, media, learning resource center, and management services in support of the NFA educational programs and the USFA programs. Also, the USFA continues to support the annual National Firefighter Memorial and Luminary ceremonies.

4. **Operations Support.** This activity provides the workyears and related expenses in support of administrative services, acquisition management, logistics services, information systems policy and oversight, information systems operations and maintenance, and security. Two other initiatives, software design and engineering and information systems engineering, are intended to infuse new technology into FEMA, through designing, building, testing, and integrating new capabilities.

5. **Mitigation Programs.** This activity provides support for the National Earthquake Hazards Reduction Program (NEHRP); the Hurricane Preparedness program; the National Dam Safety program; the Hazard Mitigation Assistance program; the International Decade for Natural Disaster Reduction; and oversight and administration of floodplain management in support of the National Flood Insurance Program (NFIP). Salaries and expenses related to floodplain management are reimbursed from the National Insurance Development Fund (NIDF).

6. **Flood Insurance Operations.** This activity provides oversight and administration of the insurance component of the National Flood Insurance Program (NFIP). The Federal Insurance Administration (FIA) directs this Federal program which provides consumer-oriented flood insurance to protect the loss of life and property of people in communities participating in the NFIP. The FIA explores government and private industry trends to improve customer service and makes recommendations for applying these techniques to NFIP operations, and also administers the rulemaking program and implements all rule changes and legislative amendments which affect the NFIP. NFIP program policy is coordinated with FEMA offices and Federal Agencies to deliver protection and assistance to flood insurance policyholders and victims of flood disasters. For 1995, salaries and expenses will be reimbursed from the National Flood Insurance Fund with outlays and budget authority scored against that fund. All costs of this activity are paid for by policyholders, as authorized by Public Law 101-508, the Omnibus Budget Reconciliation Act of 1990.

7. **Regional Program Direction.** This activity consists of two components, Regional Program Liaison and Regional Program Management, which provide direct support to the entire range of FEMA program areas implemented in the field. Regional Program Liaison provides salaries, benefits, and support costs for the office, which serves as staff advisor on regional activities to the FEMA Director and the Regional Directors, facilitates coordination between the FEMA Regional and Headquarters offices, and oversees the Regional Program direction funding for the regional offices. Regional Program Management provides salaries, benefits, and support costs for workyears in the ten regional offices, which provide executive direction and program management essential for the delivery of the entire range of FEMA programs to State and local governments. The activity also provides additional resource support to all programs in the regions as provided under FEMA's statutory program mandates.

8. **Executive Direction.** This activity includes Agency-wide direction and support, as well as salaries and related expenses for the following offices and/or programs: Office of the Director, Congressional and Governmental Affairs, General Counsel, Equal Rights, Policy and Assessment, Emergency Information and Public Affairs, Human Resources Management, and Financial Management.

B. 1993 Accomplishments. In 1993, FEMA used $157,610,000 and 2,419 workyears under Salaries and Expenses.

These resources were used to support the following activities' accomplishments:

1. **Response and Recovery:**

   - Began development of a permanent facility for the National Teleregistration Center by initiating procurement actions for office space and state-of-the-art telecommunications and computer systems.

   - Completed field testing of the Automated Construction Estimating (ACE) system in the Individual and Family Grant (IFG) and Disaster Housing Assistance Programs.

   - Participated in an extensive interagency Federal Response Planning (FRP) Task Force to identify priority issues and improve implementation under the FRP prior to the beginning of hurricane season in June of 1993.

   - Managed and staffed the operations of the five Mobile Emergency Response Support Detachments (MERS), the Mobile Air Transportable Telecommunications System (MATTS), the National Warning Center (NWC), the National Emergency Coordination Center (NECC), the Emergency Information and Coordination Center (EICC), the disaster portable Private Automatic Branch Exchange (PABX) switches, and the Information Display System (IDS).

2. **Preparedness, Training and Exercises:**

   - Provided leadership, management, and oversight of the REP program, performing as liaison with utilities, major utility industry associations, and State radiological health organizations; represented FEMA on REP issues before national forums; chaired the Federal Radiological Preparedness Coordinating Committee; and prepared to collect fees from the utilities to recover 100 percent of the REP Program funding obligations under Interim Rule 44 CFR 354.

   - Managed the delivery of a comprehensive emergency management curriculum of over 120 different courses at resident facilities and via State training programs; defined training requirements, developed instructional materials, revised, evaluated, researched, tested, and applied educational methodologies and technological media advances, managed contracts and grants, and provided technical and training support to a number of interagency initiatives to ensure an integrated approach to emergency management training; processed 2,466 training requests for individual and group training; identified and developed a plan to meet training requirements noted during response to Hurricanes Andrew and Iniki to support an all-hazard, response-oriented emergency management program; supported Agency-wide disaster response activities at FEMA Headquarters and in the Midwest; and continued the distance education initiative, including 14 live nationally broadcast interactive television training activities via the Emergency Education Network.

- Provided leadership in hazardous materials emergency management; integrated hazardous materials emergency planning into an "all-hazards" planning; represented FEMA on the Interagency Emergency Water Programs Working Group, and on various international, national, and regional-level exercise planning and design committees to coordinate the development, conduct, and evaluation of a wide range of international, Federal, State, and local exercises.
- Restructured and implemented program and financial delivery to State and local governments and emergency management offices in order to provide increased flexibility for developing or improving emergency preparedness and response capabilities through planning, training, and exercises.
- Issued a major update of the Comprehensive Cooperative Agreement (CCA)/Computerized Activity Results List and provided training on its use.
- Maintained an Electromagnetic Effects Testing Laboratory and Radiological Instrumentation Test Facility to develop, test, and maintain electromagnetic effects protective devices and radiological instrumentation.
- Maintained and operated the SF to ensure mission readiness and operated a satellite teleregistration center in support of Florida and Midwest flood disasters; expanded civil department and agency issues in Global exercises with active NSC/NEC participation.
- Coordinated EFS activities with other Federal programs; served as a member on the Interagency Council on the Homeless; and participated in combined Federal agency efforts.

3. **Fire Prevention and Training:**

- Enhanced the arson program effort through the use of computer technology; expanded the private/public interaction in fire prevention and public education; concluded the Project Fires program; investigated hazardous materials protective clothing; improved data and information management; provided critical information to fire and emergency personnel on communicable diseases; and provided information on the Hotel/Motel Safety Act.

- Managed the development/revision of resident, field, regional and Open Learning Fire Service Program (OLFSP) programs; conducted short-term evaluation and began phase I of long-term evaluation; and continued grant support to the OLFSP.

- Managed the development and delivery of off-campus and residential courses to fire service, rescue and allied professionals through direct delivery and train-the-trainer (T-t-T) mechanisms; managed the on-site State Weekend program and contract instructor in-service workshops; continued support to the Training Resource and Data Exchange (TRADE) network; and continued support for the Fire Executive Fellowship (Harvard University/John F. Kennedy School) Program. Also continued support for the Executive Fire Officer Program and annual symposium.

4. **Operations Support:**

- Provided administrative support including space management, records and information management, goods and services to replace administrative equipment and furniture; provided services such as office moves, repair or maintenance of equipment, and minor building repairs; provided centralized printing and publications services and processed over 1,150 graphic arts requests.

- Planned and awarded $300 million for critical contractor support through contracts, grants, and Interagency Agreements needed to meet the Agency's varied program requirements; administered a portfolio of over 7,000 contracts; implemented a contracts review board with continuing comprehensive reviews of field and regional activities; provided procurement training sessions for Project Officers regarding their role in awarding and administering contracts; improved productivity of employees through training and development of the Agency automated procurement system.

- Developed policies and guidelines for information systems agency-wide; supported the Designated Senior Official for Information Resources Management; managed the Software Control and Integration Center to document the configuration management of the information systems before the systems were issued to users; and managed the FEMA Information Systems Security, Communications Security, Frequency Spectrum, and National Security Emergency Preparedness Programs.

- Processed and converted various data bases for the coastal states to support the hurricane preparedness activity; supported the response to Midwest floods with data which was used by the Emergency Support Team members; revised and fielded the Central Locator System; and continued fielding of the document/action tracking system.

- Engineered and provided technical efforts to acquire video capability for the MATTS MERS Detachments; engineered the repacking of the telecommunications equipment; managed the warranty replacement of the HF radios in Multi-radio Van number 5; participated and chaired various technical working groups which were considering new technology; supported testing of new "low cost" high performance modems; and managed the service life extension program to replace obsolete equipment in the MERS Detachments.

- Maintained and staffed the Agency's telecommunications and information processing systems which includes the FEMA Switched Network (FSN) and FEMA National Radio System (FNARS); provided repair activities for ADP equipment; managed the telecommunications trunk lines; and coordinated and ordered the delivery of additional telecommunications services as required by Agency activities.

- Provided Aerial Reconnaissance data for use during the hurricane season and Midwest floods; supported the disaster responses with training of State personnel so they could use the aerial data provided; and accomplished required security reviews of Agency facilities.

5. **Mitigation Programs:**

- Managed FEMA's lead-agency responsibilities for NEHRP, activities to develop national seismic design provisions and methodologies for Federal and private sector buildings, hurricane population preparedness projects in nine areas, the Dam Safety Program, and chaired the Interagency Committee on Dam Safety.

- Managed flood studies and restudies.

- Managed the Community Assistance and Compliance Programs.

6. **Flood Insurance Operations:**

- Developed and enhance the NFIP Marketing Plan targeted toward the insurance industry, the lending industry, and the consumer; and produced and disseminated materials to increase the number of flood insurance policyholders nationally.

- Conducted underwriting/policy administration operation reviews, claims operation reviews, and self-audit reviews to ensure company compliance with the Financial Control Plan and the

Write-Your-Own (WYO) Standards Committee.

- Developed and simplified the legal documents and official forms used in the NFIP operation, making them more useful and usable for our customers (agents, lenders, insureds, etc.).
- Finalized and distributed a revised Flood Insurance Manual.
- Conducted the annual actuarial review of insurance experience.

7. **Regional Program Direction:**

- Developed and coordinated taskings to the regions on "Improving Federal/State Relationships". This resulted in the regions designating regional State liaison officers for each State EOC, a regional and state perspective on the CCA process, and regional plans for improving outreach to the State and local governments.
- Conceived and developed a newly structured process for developing annual regional operating plans which allows the regions to incorporate plan their goals and objectives into their planning.
- Directed and organized orientation sessions for the new regional directors, including a comprehensive regional guide and a two week orientation program.
- Developed a formalized process of weekly conference calls with the regional directors to ensure better coordination and involvement between headquarters and the regions.

8. **Executive Direction:**

- Created a national emergency management partnership involving FEMA, other Federal agencies, State and local governments, and private organizations. Through this partnership, developed a comprehensive risk-based all-hazard emergency management system that includes preparedness, mitigation, response, and recovery.
- Revitalized the Agency through work with the Vice President's National Performance Review team on reinventing government, and redefined FEMA's mission and organization.
- Provided information to and addressed and addressed concerns of Congressional members and staff, the media and the general public.

- o Provided legal support for major disaster response and recovery activities and litigation resulting from Loma Prieta earthquake, Los Angeles riots, Hurricanes Andrew and Iniki and the midwestern floods; and defended the Agency in litigation involving the National Flood Insurance Program, saving the government $80,000,000.

- o Provided financial management support to the Agency through operations, reports, and budget preparation and monitoring.

C. Changes from the 1994 Estimates: Reflects a Congressional general reduction of $5,107,000.

D. 1994 Program: In 1994, FEMA is allocating $160,409,000 and 2,430 workyears under Salaries and Expenses. These resources will allow FEMA to:

1. **Response and Recovery:**

   - o Complete the establishment of the permanent National Teleregistration Center.

   - o Begin development of the ACE system for the Infrastructure Support programs.

   - o Staff, operate, and maintain the EICC: staff the NECC and the NWC which operate 24 hours a day, 365 days a year to receive emergency information and to alert responsible officials.

   - o Staff, train, operate, and maintain five MERS Detachments, the MATTS, PABX, and IDS to provide emergency support capability to various disaster or disaster-related events.

2. **Preparedness, Training and Exercises:**

   - o Continue oversight of the REP program, chair the Federal Radiological Preparedness Coordinating Committee; and track and collect fees from the utilities to recover 100 percent of the REP Program funding obligations.

   - o Manage the delivery of a comprehensive emergency management curriculum of over 120 different courses at resident facilities and via State training programs, independent study, and EENET broadcasts; define, develop, and deliver training to support implementation of the Federal Response Plan; assess key training requirements and develop appropriate training and/or job aids; and test the viability of computer simulation techniques used by Department of Defense for emergency management training.

- Provide technical and financial assistance, engineering, technical expertise, and leadership to State and local government to develop, improve, and integrate hazard-specific plans into all-hazards plans, and to develop survivable crisis management capabilities.

- Revise Capability and Hazard Identification Program (CHIP), and conduct assessments of State and local emergency management and response capabilities to determine requirements through the identification of shortfalls.

- Evaluate the model State compact for mutual aid among States and provide policy and guidance to achieve uniformity and consistency nationwide.

- Provide technical assistance, operational and administrative support to State and local governments in the development, improvement and implementation of National State and local emergency management bulletin boards, and other electronic information sharing systems.

- Issue a restructured Comprehensive Cooperative Agreement (CCA) package to our National emergency management system partners and cooperatively assess its effectiveness; and establish performance standards for evaluating and monitoring State performance of CCA's.

- Support the Agency's employee development program and Agency-wide disaster response activities at Headquarters and at disaster sites.

- Provide leadership, expertise, and representation on international, national, and regional level exercise planning and design committees.

- Operate and maintain the SF; implement and enhance a Facility Management System; provide mechanical, civil, electrical, and environmental engineering assistance to all FEMA facilities support for disaster response and recovery activities in teleregistration, central financial processing, and ADP, and communication storage; and provide training, conferences, and exercises at the SF.

- Monitor program administration and expenditures of the recipients of EFS program funds; and coordinate the financial assistance provided by EFS program in concert with other McKinney Act programs to improve utilization of services, and avoid duplication.

3. **Fire Prevention and Training:**

- Conduct fire technology, research, testing and demonstrations including residential sprinklers and smoke detectors and continue to disseminate information on the Hotel/Motel Fire Safety Act; provide technical assistance in the development and delivery of National videoconferences to the fire service and emergency management community; carry-out National public fire education programs; work with the private sector to enhance Federal/private sector relations and private sector participation; monitor efforts to improve firefighter protective clothing and equipment; provide guidance in the collection an dissemination of fire data; review and authorize reimbursement to local fire services for fighting fires on Federal property; and expand needed research on emergency medical services management, as well as provide leadership in emergency management and infectious disease control for pre-hospital health care providers, hazardous materials, and urban search and rescue response planning and operations.

- Evaluate and manage the development/revision of resident, field, regional and Open Learning Fire Service Programs (OLFSP) activities; and continue grant and marketing support to the OLFSP.

- Manage the development and delivery of off-campus and residential courses to fire service, rescue and allied professionals through direct delivery, T-t-T and regional delivery mechanisms; manage the on-site State Weekend program and contract instructor in-service workshops; and continue support to the TRADE network.

- Continue support for the Fire Executive Fellowship Program; and the Executive Fire Officer Program and annual symposium.

4. **Operations Support:**

- Establish the function of "Safety and Occupational Health Manager" and support new agency-wide initiatives as required by Occupational Safety and Health Administration (OSHA) regulations.

- Provide administrative support including space management, records and information management, goods and services to replace administrative equipment and furniture; provide services such as office moves, repair or maintenance of equipment, and minor building repairs; provide centralized printing and publications services.

- Provide procurement support needed to meet the Agency's varied program requirements; administer the portfolio of open contracts for program support operations, information systems, specialized Architectural and Engineering (A&E) services, assistance instruments, and interagency support; continue a comprehensive review program of field and regional activities; procurement training for procurement personnel and sessions for Project Officers regarding their role in awarding and administering contracts; and policy initiatives to streamline the procurement process in the Agency.

- Develop FEMA-wide policies and guidelines for information systems to ensure consistency in the development and implementation of Information Resources Management strategic planning and budgeting policies; support the Designated Senior Official and the Information Resources Board in carrying out their oversight responsibilities; continue to provide configuration management for all existing and developmental information systems to ensure compatibility with the current and proposed systems; manage the FEMA Information Systems Security, Communications Security, Frequency Spectrum, and National Security Emergency Preparedness Programs; conduct COMSEC audits as required by the National Security Agency.

- Continue to enhance and improve FEMA situation assessment capability to provide advance or immediate damage assessment and estimates regarding the level of Federal response support needed; continue to revise and field the Central Locator System; and continue fielding of the document/action tracking system.

- Provide essential core engineering support capability which ensures the continuing operations and interoperability of FEMA's wide range of emergency communications and information systems.

- Manage and staff the FEMA emergency communications networks which connect Federal, State, and local emergency responders and managers.

- Manage the logistics functions to ensure that required support is available and ready to meet the operational or disaster response requirements.

- Staff the Aerial Reconnaissance data effort to provide required support for disaster response requirements; provide for training of State personnel so they can use the aerial data provided; and accomplish required security reviews of the Agency facilities.

5. **Mitigation Programs:**

- Execute FEMA's statutory assignment to manage multi-agency NEHRP coordination and statutory reporting and planning requirements; manage seismic design initiatives; and the development of a multi-hazard design handbook; and provide financial and technical assistance to all levels of government and the private sector to implement earthquake hazards reduction measures.

- o Manage the National Dam Safety Program and provide technical assistance to the Regions to support hazard mitigation projects at the State and local level.
- o Manage floodplain management activities including insurance studies and restudies; a Community assistance Program, Community Rating System (CRS), a Community Compliance Program, and Flooded Property Purchase Program. Completion and publication of Revisions to a Unified National Program for Flood Plain Management", and develop technical guidance for communities for pre-disaster planning, and the development of a Home Study course entitled "Managing Floodplain Management Through the National Flood Insurance Program".

6. **Flood Insurance Operations:**

- o Implement the NFIP Marketing Plan, and produce and disseminate materials to increase the number of flood insurance policyholders nationally.
- o Conduct underwriting/policy administration operation reviews, claims operation reviews, and self-audit reviews to ensure company compliance with the Financial Control Plan and the WYO Standards Committee.
- o Develop an Information Resource Management Plan for providing information on the NFIP.
- o Conduct the annual actuarial review of insurance experience.

7. **Regional Program Direction:**

- o Provide for the day-to-day operations of the regional offices, ensuring that programs are delivered to the States, and that policies consistently meet States' specific risk based needs.
- o Coordinate the development and negotiation of a final Regional Work Plan for the regional offices and develop strategies for improving the Regional Work Plan System.
- o Update orientation sessions for new regional directors to reflect organizational change.
- o Conduct a cost-benefit analysis of current and alternative regional structures.

- Facilitate the Director's review of regional program and policy issues; solicit and represent a field perspective in FEMA Headquarters for the development of policy and program guidance to ensure the consideration of regional concerns.

- Develop improved, alternative methods to accomplish interregional and Headquarters/regional reconciliation of issues and workplans.

- Provide supplemental resource support to FEMA programs at each respective region and ensure programs accountability of resources.

- Expand public awareness of FEMA programs and capabilities, particularly during actual disaster events.

8. **Executive Direction:**

- Revise the structure of the Agency to enhance operations, improve program delivery and realign resource to meet the renewed mission and goals of the Agency.

- Establish an arbitration process for resolving disputes, and appoint an Agency ombudsman.

- Continue to improve relations with Congress, coordinate the development of Agency positions on matters before the Congress and arrange for Agency interaction with members of Congress and their staffs.

- Update the Agency's Management Control Plan and conduct Management Control Reviews and compliance testing of financial and administrative controls of Agency programs.

- Maintain oversight of Agency streamlining efforts and other requirements generated by the National Performance Review such as laboratory efforts, customer survey, performance standards and assessments, and intergovernmental grant consolidation and flexibility.

- Restructure Public Affairs activities at disaster field offices (DFO's) and regions with strong management and leadership to ensure the agency speaks with one voice.

- Expand public awareness of FEMA programs and capabilities, particularly during actual disasters.

- Develop and implement new policies and regulations resulting from the Federal Employees Pay

Comparability Act.

- Contract for an emergency management planning manual on special needs population groups (e.g., personnel with disabilities, the elderly, etc.).

E. 1995 Program: In 1995, FEMA requests $168,431,000 and 2,531 workyears under Salaries and Expenses. This request will allow FEMA to do the following:

1. **Response and Recovery:**

   - Complete the establishment of a centralized data processing capability at the National Teleregistration Center to support the disaster field offices.
   - Fully deploy the ACE system in all disaster missions where the Disaster Housing and Individual and Family Grant Programs are implemented.
   - Develop and implement policy changes as a result of new legislative initiatives.
   - Provide staff support and participation in the continued development and coordination of plans and procedures for the interagency Federal response to major disasters under the FRP.
   - Coordinate and evaluate Federal department and agency capabilities to meet their resource preparedness responsibilities.
   - Advise and assist the National Security Council in the formulation of national security preparedness policy.
   - Complete the development, and continue maintenance and integration, of all hazards situation assessment automated data processing (ADP) capability enabling FEMA to perform advance and immediate damage assessment to support the Federal emergency response to a full range of emergencies.
   - Continue to staff, train, operate, and maintain five MERS Detachments, the MATTS, PABX, and IDS to provide emergency support capability to various disasters or disaster-related events.

2. **Preparedness, Training and Exercises:**

   - Pilot test Model State Disaster Fund concept and award incentive based grants to States.

- o Develop and propose multi-year strategy for implementation of the requirements study conducted to assess emergency management and response capability.
- o Operate the FEMA national technical center (clearinghouse) for Federal, State, and local government for all-hazards instrumentation and protective equipment and the SF.
- o Continue to provide leadership, management, and oversight of FEMA's Comprehensive Exercises and the REP programs.

3. **Fire Prevention and Training:**

- o Provide management and oversight in collecting, analyzing, and disseminating fire data, research, and application of materials to provide a safer environment for the Nation's fire service; and expand fire prevention and arson control activities and the coordination of fire policy and management. The USFA will continue to be the primary Federal provider of research and development for protective clothing for firefighters, Emergency Medical Technicians (EMT's), and heavy rescue personnel.
- o Ensure effective communication between the USFA and the working fire service through participation in regional fire service meetings as well as technical assistance visits to individual representative fire departments. The USFA provides key assistance to Emergency Medical Service (EMS) programs in the areas of infection control, recruitment and retention of EMT's and paramedics, public education and chairing the Federal Interagency Committee on Emergency Management Services (FICEMS).
- o Continue the development and dissemination of public fire education materials, technical information, and statistics related to the Nation's fire problem and special analyses of statistics focusing on specific aspects of the fire problem; respond to requests for and review and update publications and perform special analyses of fire data in response to public and private sector requests; expand the national Fire Incident Reporting System to enhance State involvement and redesign computer equipment to collect data; review and authorize requests for reimbursement for fighting fires of Federal property; continue to develop and disseminate better hazardous materials response information for first responders; and develop a vehicle passenger extrication safety manual.
- o Manage the development/revision of resident, field, regional and OLFSP programs; conduct short-term evaluation and continue long-term evaluation; and continue grant and marketing support to the OLFSP.

- Manage the development/delivery of off-campus and residential courses to fire service, rescue and allied professionals through direct delivery, T-t-T and regional delivery mechanisms; manage the on-site State Weekend program and contract instructor in-service workshops; and continue support to the TRADE network.

- Continue support for the Fire Executive Fellowship Program; and continue support for the Executive Fire Officer Program and annual symposium.

4. **Operations Support:**

- Support and maintain the position of "Safety and Occupational Health Manager" to ensure that the Agency complies with OSHA regulations.

- Continue administration support which includes space management, records and information management, goods and services support, and centralized printing and publications services.

- Staff the acquisition function to ensure that the contract planning and awards process meet the Agency's varied program requirements and satisfy legal and regulator requirements; continue a comprehensive review program of field and regional activities; and provide for delivery of procurement training sessions for Agency procurement personnel in accordance with office of Federal Procurement Policy (OPP) requirements.

- Develop policies and guidelines for information systems agency-wide; develop and implement the Agency's Information Resources Management strategic planning and budgeting policies to ensure consistency within FEMA; support the Designated Senior Official and the Information Resources Board in carrying out their oversight responsibilities; continue to provide configuration management for all existing and developmental information systems; manage the FEMA Information Systems Security, Communications Security, Frequency Spectrum and National Security Emergency Preparedness Programs; conduct COMSEC audits as required by the National Security Agency.

- Continue development, maintenance and integration of an all-hazards situation assessment capability enabling FEMA to perform advance and immediate damage assessment to support the Federal emergency response to a full range of emergencies.

- Manage, operate, and staff FEMA's network of voice and data telephone lines and switches known as the FEMA Switched Network, which has connectivity from FEMA headquarters to the regions and State EOC's and can be extended to support any disaster field office on demand.

5. **Mitigation Programs:**

   - o Manage the overall NEHERP; initiate problem-focused studies; and continue to manage seismic and multi-hazard design initiatives which develop and transfer technology to enhance safety.

   - o Provide oversight for studies of wind effects and evacuation, conduct post-storm analyses, manage training and public awareness activities and initiate property protection projects.

   - o Manage the National Dam Safety Program through leadership; technical assistance, and public awareness.

   - o Support the International Decade for Natural Disaster Reduction through coordination of United States participation in the project, developing policies, plans and reports detailing the Nation's plan for natural disaster reduction activities during the decade.

6. **Flood Insurance Operations:**

   - o Update and revise the WYO claims manual, the adjusters manual, the adjuster training program, the Flood Insurance Mis-rating Detection procedures, the premium re-rating and recapture procedures, the recovery tracking procedures and capabilities regarding erroneous payments and recoveries of subrogation and salvage, and the single adjuster agreements.

   - o Continue to implement the NFIP Marketing Plan; and produce and disseminate materials to increase the number of flood insurance policyholders nationally.

   - o Conduct underwriting/policy administration operation reviews, claims operation reviews, and self audit reviews to ensure company compliance with the Financial Control Plan and the WYO Standards Committee.

   - o Implement an Information Resource Management Plan for providing information on the NFIP.

   - o Conduct the annual actuarial review of insurance experience.

7. **Regional Program Direction:**

   - o Provide for the day-to-day operations of the regional offices, ensure that programs are delivered to the States, and that policies are promulgated consistently while meeting States' specific risk based needs.

- Provide executive leadership and policy direction at the 10 FEMA regional offices. Ensure an efficient flow of guidance, policy, and operating information to the regions on programs and other matters; monitor and improve the Regional Program Direction management of resources as a function of the Agency's line operations.

- Facilitate the Director's review of regional program policy issues; solicit and represent a field perspective in FEMA Headquarters for the development of policy and program guidance to ensure the consideration of regional concerns.

- Review and redefine regional operations consistent with recommendations gleaned from the regional structure study.

- Streamline and continue to develop a regional work planning document that reflects NPR initiatives as well as proposed performance based management concepts.

- Develop improved, alternative methods to accomplish inter-regional and headquarters/regional reconciliation of issues and workplans; facilitate coordination between the FEMA Regional and Headquarters offices to ensure policy promulgated to the field reflects regional, State and local concerns.

- Provide supplemental resource support to FEMA programs at each respective region; ensure program accountability of resources for the delivery of FEMA programs to State and local governments.

- Expand public awareness of FEMA programs and capabilities, particularly during actual disaster events.

8. **Executive Direction:**

- Conduct critical program evaluation and re-determination of program priorities and pursue management improvement throughout the Agency.

- Ensure effective management of available personnel and budgetary resources.

- Develop, coordinate, and facilitate implementation of an agencywide Total Quality Management (TQM) program.

- Develop and complement hazard awareness campaigns directed toward the public, including development, printing, and distribution of brochures.

- Produce EENET videoconference on the need for cultural diversity within emergency management and the fire service.
- Provide financial management support to the Agency.
- Provide continuing legal support for major disaster response and recovery activities.
- Continue to coordinate with members of Congress and their staffs on matters of concern.

1995 Increases/Decreases. The 1995 request includes an increase of $8,022,000 and 101 workyears in Salaries and Expenses for the following:

1. **Response and Recovery.** An increase of $1,750,000 and 25 workyears for implementation of recommendations of the FRP Task Force, such as providing staff support to an expanded interagency planning structure with components in the White House, representation on a national level advisory board, and planning component in the regions.

2. **Preparedness, Training and Exercises.** A net increase of $4,414,000 and 50 workyears includes: (1) an increase of $2,450,000 and 35 workyears to provide the staff and travel to support the Agency's Comprehensive Exercise Program (CEP); (2) an increase of $886,000 to support Agency employee training and career development activities; (3) an increase of $1,400,000 and 20 workyears to provide staff and travel resources to manage a national hazardous materials training and exercise program to improve State and local preparedness capabilities; and (5) a decrease of $322,000 and 5 workyears as a result of the transfer of the Food and Shelter Program to the Department of Housing and Urban Development.

3. **Fire Prevention and Training.** None.

4. **Operations Support.** None.

5. **Mitigation Programs.** A net increase of $2,136,000 and 26 workyears includes: (1) $1,060,000 for emphasis on hurricane mitigation preparedness and public education; (2) $252,000 to provide technical assistance to the States to encourage the development of mitigation strategies; (3) $546,000 to implement "seismic enterprise zone" strategy whereby participating communities in very high and high risk zones will become models of seismic safety over time; and (4) $278,000 for community verification activities for the Community Rating System (CRS).

6. **Flood Insurance Operations.** None.

7. **Regional Program Direction.** None.

8. **Executive Direction.** None.

F. Outyear Implications. FEMA will continue to completely integrate word processing into the all FEMA information system functions as a part of the continuing implementation and operation of the DEMS Distribution Data Processing System and the FEMA LAN/WAN system.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

Appropriation Language

For necessary expenses, not otherwise provided for, to carry out activities under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977, as amended (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2251 et seq.), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061 et seq.), [section] sections 107 and 303 of the National Security Act of 1947, as amended (50 U.S.C. § 404-405), and Reorganization Plan No. 3 of 1978, [$212,960,000] $220,345,000.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

ADMINISTRATIVE PROVISION

The Director of the Federal Emergency Management Agency shall promulgate through rulemaking a [schedule] methodology for assessment and collection of fees to be assessed and collected beginning in fiscal year 1995 and in each fiscal year thereafter, applicable to persons subject to the Federal Emergency Management Agency's radiological emergency preparedness regulations. The aggregate charges assessed pursuant to this section [during fiscal year 1994] in a fiscal year shall approximate[, but not be less than] 100 per centum of the amounts anticipated by the Federal Emergency Management Agency to be obligated for its radiological emergency preparedness program for such fiscal year. The [schedule] methodology for assessment and collection of fees shall be fair and equitable, and shall reflect the full amount of [direct and indirect] costs [incurred through the provision of regulatory services] of providing radiological emergency planning, preparedness, response and associated services. Such fees will be assessed in a manner that reflects the use of agency resources [for classes of regulated persons and the administrative costs of collecting such fees]. Fees received pursuant to this section shall be deposited in the general fund of the Treasury as offsetting receipts. [Assessment and collection of such fees are only authorized during fiscal year 1994.]

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
Appropriation Overview

This appropriation provides resources for the following activities:

Response and Recovery: Provides for the development and maintenance of an integrated operational capability to respond to and recover from the consequences of a disaster, regardless of its cause, in partnership with other Federal agencies, State and local governments, volunteer organizations, and the private sector.

Preparedness, Training and Exercises: Provides policy guidance, financial and technical assistance, training, and exercise support required to establish or enhance the emergency management capabilities of Federal, State and local governments.

Fire Prevention and Training: Prepares Federal, State and local officials, their staffs, emergency first responders, volunteer groups, and the public to meet the responsibilities of domestic emergencies through planning, mitigation, preparedness, response and recovery. The United States Fire Administration has responsibility for all fire and emergency medical service programs and training activities. Educational programs are provided through the National Fire Academy (NFA), at the National Emergency Training Center and through the field fire training delivery systems.

Operations Support: Provides direct support and services which address the common needs of all agency programs, such as administration, acquisition, logistics, information systems, security, and specialized capabilities and integration of the FEMA-wide networks.

Mitigation Programs: Provides for the development, coordination and implementation of policies, plans and programs to eliminate or reduce the long-term risk to life and property from natural and technological hazards, such as floods, earthquakes, hurricanes and dam failures. A goal of this activity is to encourage and foster mitigation strategies at the State and local levels.

Executive Direction: Maintains a family protection program, utilizing private sector and volunteer organizations to encourage and assist families and neighborhoods to take actions to increase their emergency preparedness capabilities; and develops strategies to address public information issues.

APPROPRIATION SUMMARY
EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
(Dollars in Thousands)

Summary of Estimates by Activity	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Response and Recovery..................	$23,068	$17,836	$13,782	$13,782	...
Preparedness, Training and Exercises....	134,180	123,447	128,911	131,211	$2,300
Fire Prevention and Training............	24,328	24,301	24,301	24,301	...
Operations Support......................	49,955	37,270	25,768	20,815	-4,953
Mitigation Programs.....................	18,094	17,956	18,956	28,994	10,038
Executive Direction.....................	1,557	2,150	1,242	1,242	...
Total.............................	251,182	222,960	212,960	220,345	7,385
Total, Emergency Management Planning and Assistance:					
Budget Authority..................	253,243	222,960	212,960	220,345	7,385
Obligations.......................	251,182	222,960	212,960	220,345	7,385
Budget Outlays....................	268,017	256,491	237,718	220,106	-17,612
Transfer reimbursements from other FEMA accounts:					
*Flood Mitigation and Insurance..........	44,154	48,092	48,092	48,092	...

Change from Original 1994 Estimates. Reflects a net Congressional reduction of $10,000,000 with specific increases of $20,000,000 offset by a general reduction of $10,000,000. Also includes an internal reprogramming of $1,000,000 to Mitigation Programs.

FEDERAL EMERGENCY MANAGEMENT AGENCY
EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
(Dollars in Thousands)

		1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation						
11.1	Full–time permanent	...	...	...	...	...
11.3	Other than full–time permanent	...	...	...	...	...
11.5	Other personnel compensation	...	...	...	...	...
11.8	Special personal services payments	...	...	...	...	...
11.9	Total personnel compensation	...	...	...	...	...
Personnel Benefits						
12.1	Civilian personnel	...	...	...	...	...
12.2	Military personnel	...	...	...	...	...
13.0	Benefits for former personnel	...	...	...	...	...
Non–personnel Costs						
21.0	Travel and transportation of persons	...	...	...	...	...
22.0	Transportation of things	$148	$53	$193	$193	...
23.1	Rental payments to GSA	...	...	...	...	...
23.2	Rental payments to others	...	...	...	...	...
23.3	Communications, utilities, and miscellaneous charges	21,289	26,327	22,300	17,319	($4,981)
24.0	Printing and reproduction	2,776	2,637	3,379	3,501	122
25.1	Consulting services	2,301	3,731	820	820	...
25.2	Other services	48,644	41,385	48,458	54,050	5,592
25.3	Purchases of goods and services from Government accounts	39,936	20,922	12,274	12,399	125
25.4	Operation of GOCOs	...	...	...	...	...
25.5	Research and development contracts	3,143	750	100	300	200
26.0	Supplies and materials	4,527	3,250	2,970	2,977	7
31.0	Equipment	5,493	8,100	1,059	1,184	125
32.0	Land and structures	6,311	5,450	4,464	4,464	...
33.0	Investments and loans	...	...	...	...	...
41.0	Grants, subsidies, and contributions	116,614	110,355	116,943	123,138	6,195
42.0	Insurance claims and indemnities	...	...	...	...	...
43.0	Interest and dividends	...	...	...	...	...
Total Obligations		251,182	222,960	212,960	220,345	7,385

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
RESPONSE AND RECOVERY
(Dollars in Thousands)

	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Budget Authority...............	$23,068	$17,836	$13,782	$13,782	...

Changes from Original 1994 Estimates. Reflects a decrease of $3,949,000 as part of a general Congressional reduction and a reprogramming of $105,000 to the Hurricane Program.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
RESPONSE AND RECOVERY
(Dollars in Thousands)

		1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation						
11.1	Full-time permanent	...	...	...	...	...
11.3	Other than full-time permanent	...	...	...	...	...
11.5	Other personnel compensation	...	...	...	...	...
11.8	Special personal services payments	...	...	...	...	...
11.9	Total personnel compensation	...	...	...	...	...
Personnel Benefits						
12.1	Civilian personnel	...	...	...	...	...
12.2	Military personnel	...	...	...	...	...
13.0	Benefits for former personnel	...	...	...	...	...
Non-personnel Costs						
21.0	Travel and transportation of persons	...	...	...	...	...
22.0	Transportation of things	$64	...	$140	$140	...
23.1	Rental payments to GSA	...	...	...	...	...
23.2	Rental payments to others	...	...	...	...	...
23.3	Communications, utilities, and miscellaneous charges	2,782	$1,965	1,965	1,965	...
24.0	Printing and reproduction	38	...	...	...	...
25.1	Consulting services	1,084	...	...	...	...
25.2	Other services	8,454	2,203	10,360	10,360	...
25.3	Purchases of goods and services from Government accounts	4,496	12,107	...	...	...
25.4	Operation of GOCOs	...	...	...	...	...
25.5	Research and development contracts	2,553	...	...	...	...
26.0	Supplies and materials	1,491	1,402	1,019	1,019	...
31.0	Equipment	1,297	20	159	159	...
32.0	Land and structures	485	139	139	139	...
33.0	Investments and loans	...	...	...	...	...
41.0	Grants, subsidies, and contributions	324	...	...	...	...
42.0	Insurance claims and indemnities	...	...	...	...	...
43.0	Interest and dividends	...	...	...	...	...
Total Obligations		23,068	17,836	13,782	13,782	...

Response and Recovery

A. Objective/Element Description. This activity provides for the development and maintenance of an integrated operational capability to respond to and recover from the consequences of a disaster, regardless of its cause, in partnership with other Federal agencies, State and local governments, volunteer organizations, and the private sector. The National Security Program under this activity is discussed in a separate submission.

B. 1993 Accomplishments. In 1993, FEMA used a total of $68,592,000 and 694 workyears for this activity, of which $45,524,000 was under Salaries and Expenses and $23,068,000 was under Emergency Management Planning and Assistance. This activity accomplished the following:

- Issued regional planning guidance on implementation of Federal response activities in the field, including a format for regional response plans and planning guides on regional operations centers and operating facilities.
- Published procedural guidance on headquarters Emergency Support Team (EST) operations, which support Emergency Response Team (ERT) field operations, with particular emphasis on developing procedures to use expedited damage assessment results, critical State and local government needs assessment, and identifying information required for decision-making.
- Operated, maintained and provided specialized technical training for members of the Mobile Emergency Response Support (MERS) Detachments and other emergency support personnel who are assigned to disaster missions.
- Developed options and concepts for test and evaluation of procedures, organization, and capability for interagency disaster assessment teams for rapid establishment of field operating locations for the Federal response.
- Maintained the Agency's two 24-hour, all hazards warning centers, the National Emergency Coordination Center (NECC) and the National Warning Center (NWC) in Colorado; and provided voice, ADP, and video connectivity via the Emergency Information and Coordination Center (EICC) at FEMA headquarters.
- Supported a comprehensive and objective study of Federal, State and local governments' capability by the National Academy of Public Administration (NAPA) to respond promptly and effectively to major natural disasters in the United States.
- Developed and coordinated a new Domestic Emergency Management System (DEMS) concept of operations.

Initiated the development of operating procedures and supporting documentation required to implement the DEMS.

- Provided support for special events, including the 1993 World University Games and the 1993 World Youth Day Celebration, and planning support for the 1994 World Cup Soccer Championships.

C. Changes from the 1994 Estimate. Reflects a net decrease of $4,054,000: a decrease of $3,949,000 as part of a Congressional general reduction and a reprogramming of $105,000 to the Hurricane Program.

D. 1994 Program. In 1994, FEMA is allocating a total of $54,961,000 and 665 workyears to this activity, of which $41,179,000 is under Salaries and Expenses and $13,782,000 is under Emergency Management Planning and Assistance. In 1994 FEMA plans to:

- Enhance the interagency Federal Response Plan (FRP) system and planning organization at the national level.
- Support special events, such as the 1994 World Cup Soccer Championships and the 1996 Summer Olympic Games.
- Implement a Federal damage assessment capability to supplement and assist State and local assessment capabilities.
- Integrate traditional FEMA recovery programs into a common structure with response activities.
- Operate the EICC during regular hours and expanded hours during emergency activation, to provide operational support of the EST, as well as other FEMA emergency response activities.
- Deploy the Mobile Air Transportation Telecommunications System (MATTS) and MERS as needed.

E. 1995 Program. In 1995, FEMA requests a total of $56,711,000 and 690 workyears for this activity, of which $42,929,000 is under Salaries and Expenses and $13,782,000 is under Emergency Management Planning and Assistance. With these resources, FEMA will:

- Develop operational capabilities, plans and procedures, including enhanced regional planning and response capabilities, to support FRP activities. ($1,506,000)
- Provide for the operation and maintenance of the MERS Detachments, MATTS and IDS, including equipment and supplies; continue to provide specialized technical training for the MERS. ($6,520,000)

- Fund the operation and maintence of three FEMA operations centers: the EICC, the NECC, and the National Warning Center (NWC). ($599,000)

- National Security. ($5,157,000)

1995 Increases/Decreases. None.

F. Outyear Implications. No outyear implications over the 1995 request.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
PREPAREDNESS, TRAINING AND EXERCISES
(Dollars in Thousands)

	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Budget Authority..........	$134,180	$123,447	$128,911	$131,211	$2,300

Changes from Original 1994 Estimates. Reflects Congressional increases of $10,000,000 offset by a decrease of $4,120,000 as part of a Congressional general reduction and a reprogramming of $416,000 to the hurricane program.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
PREPAREDNESS, TRAINING AND EXERCISES
(Dollars in Thousands)

		1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation						
11.1	Full-time permanent	...	...	...	...	...
11.3	Other than full-time permanent	...	...	...	...	...
11.5	Other personnel compensation	...	...	...	...	...
11.8	Special personal services payments	...	...	...	...	...
11.9	Total personnel compensation	...	...	...	...	...
Personnel Benefits						
12.1	Civilian personnel	...	...	...	...	...
12.2	Military personnel	...	...	...	...	...
13.0	Benefits for former personnel	...	...	...	...	...
Non-personnel Costs						
21.0	Travel and transportation of persons	...	...	...	...	...
22.0	Transportation of things	$13	$11	$16	$16	...
23.1	Rental payments to GSA	...	...	...	...	...
23.2	Rental payments to others	...	...	...	...	...
23.3	Communications, utilities, and miscellaneous charges	1,520	1,068	1,000	1,000	...
24.0	Printing and reproduction	416	172	818	818	...
25.1	Consulting services	217	2,540	...	...	...
25.2	Other services	11,249	13,888	8,707	10,007	$1,300
25.3	Purchases of goods and services from Government accounts	12,445	100	10,688	10,688	...
25.4	Operation of GOCOs	...	...	...	...	...
25.5	Research and development contracts	440	650	...	...	...
26.0	Supplies and materials	1,769	1,072	808	808	...
31.0	Equipment	866	2,738	441	541	100
32.0	Land and structures	295	200	...	...	...
33.0	Investments and loans	...	...	...	...	...
41.0	Grants, subsidies, and contributions	104,950	101,008	106,433	107,333	900
42.0	Insurance claims and indemnities	...	...	...	...	...
43.0	Interest and dividends	...	...	...	...	...
Total Obligations		134,180	123,447	128,911	131,211	2,300

Preparedness, Training and Exercises

A. Objective/Element Description. This activity provides resources for all-hazard emergency management programs including: The Radiological Emergency Preparedness (REP) program, operation of the FEMA Special Facility (SF) in Berryville, Virginia, and Emergency Planning and Readiness programs. Under this activity, FEMA provides leadership, financial and technical assistance, training, and exercise support to establish or enhance emergency management capabilities; assists in the development of State and local offsite radiological emergency plans and preparedness within the emergency planning zones at the 68 currently licensed nuclear power facilities, as well as at 2 additional sites under construction; develops and maintains emergency preparedness capabilities at the Federal, State and local levels to prepare for and respond to emergencies in order to save lives and protect property; defines, develops, disseminates and manages the training required for all levels of government to meet the unique challenges of emergency management; tests Federal, State, and local emergency preparedness and response procedures through a comprehensive exercise, evaluation, and corrective action program; and plans and coordinates at the Federal-level interagency plans and activities for all economic and industrial sectors of the U.S. Funding required for the REP program is recovered through user fees.

Under this activity, FEMA's Special Facility (SF) operation services FEMA's all-hazard emergency response concept. The SF supports most of FEMA's day-to-day operations with computer, communications, and facility engineering services. The SF is also used to host training, exercises, and conferences to enhance Federal, State, and local government's mitigation, response, and recovery capabilities for FEMA's all hazard missions, as well as activities from other departments and agencies. Additionally, training is provided for the emergency management community through the field and resident programs of the Emergency Management Institute in Emmitsburg, Maryland.

B. 1993 Accomplishments. In 1993, FEMA used a total of $167,005,000 and 591 workyears for this activity, of which $32,825,000 was under Salaries and Expenses and $134,180,000 was under Emergency Management Planning and Assistance. Accomplishments include the following:

- Provided leadership, expertise, and resources to improve and evaluate State and local emergency operations plans; hazard-specific preparedness plans; and Survivable Crisis Management plans for responding to emergencies or disasters;

- Provided technical and financial assistance to State and local governments for the design, development, purchase, and installation of systems, hardware, and facilities which will enhance the ability of a jurisdiction to respond to emergencies and disasters (this included providing $68,628,000 in Emergency Management Assistance grants to the states);

- Supported State and local governments in the development, conduct, and evaluation of full-scale and tabletop exercises, and senior policy forums;

- Restructured program and financial delivery to State and local governments and emergency management offices in order to provide them with increased flexibility for developing and/or improving their emergency preparedness and response capabilities;

- Designed and developed/revised instructional materials to impart skills required to prepare for, respond to and mitigate against the impact of a major disaster and delivered 274 resident training activities to 5,926 participants at FEMA resident facilities which addressed response, planning, management, survivable crisis management, civil/military interface, radiological emergency preparedness, hazardous materials awareness and response, floodplain management, mitigation, recovery, earthquake preparedness, and training for Mobile Emergency Response Support (MERS) and the National Emergency Management Team (NEMT); designed and delivered six exercise-based Integrated Emergency Management Courses (IEMC's) to the entire management structure of the following communities: Westminster, California; Richland County, South Carolina; Bismarck/Burleigh County, North Dakota; Wichita/Sedgwick County, Kansas; Chester, Pennsylvania; and Lenoir County, North Carolina; processed 2,466 training requests for individual and group training in support of the Agency employee development program; and hosted 156 special conferences with 5,792 participants at the SF;

- Trained 48,600 students through 2,080 State-delivered training programs supported by centrally developed materials and training grants; offered seven independent study courses utilizing video, and computer based instruction and text which generated 31,396 enrollments; conducted Fourteen Emergency Education Network (EENET) broadcasts reaching approximately 1.5 million students; conducted 5 Radiological Emergency Response and Operational (RERO) courses;

- Conducted a wide variety of exercise activities including simulations, table-top exercises, and full scale exercises to develop and test emergency response plans, policies, and procedures;

- Through 52 State Exercise Training Officers (ETO's), provided exercise assistance to conduct 2,775 exercises with 458,000 participants;

- Conducted 29 joint REP offsite and 6 remedial exercises in which medical services drills were evaluated; published FEMA Interim Rule 44 CFR 354; tracked and collected 100 percent of REP program obligations through utility fees under the Interim Rule;

- Conducted a disaster-initiated review of offsite preparedness for the Turkey Point Nuclear Power Plant in the aftermath of Hurricane Andrew;

- Led the interagency development and coordination of the revision to E.O. 10480; which implements the Defense Production Act;

- Sustained National Defense Executive Reserve Training and support for the National Disaster Medical System;

- Maintained and operated the FEMA SF for communications and computer operations, training, exercises and conferences; funded 11 major facility maintenance projects; repaired equipment; and provided maintenance to MERS and MATTS teams responding to disasters;

- Satisfied the following National Security Emergency Preparedness responsibilities: initiated support for development of Agile Manufacturing Concept as a Mobilization option; updated Emergency Operating Capacity data and methods; and actively engaged industry manufacturing and technology leaders in the Federal resource assessment process;

- Developed and implemented corrective actions for Federal and State owned underground and aboveground storage tanks that require replacement, removal, repair, or upgrade.

C. Changes from the 1994 Estimate. Reflects a net increase of $5,464,000: a reprogramming of $416,000 to the hurricane program and a decrease of $4,120,000 as part of a Congressional general reduction, offset by an increase of $2,000,000 for Emergency Management Assistance grants, an increase of $7,000,000 for other State and Local Assistance grants, and $1,000,000 for SARA Title III grants.

D. 1994 Program. In 1994, FEMA is allocating $164,574,000 and 601 workyears to this activity, of which $35,663,000 is under Salaries and Expenses and $128,911,000 is under Emergency Management Planning and Assistance. With these resources, FEMA plans to:

- Restructure, implement and manage national policies and programs that provide funding and other assistance to all levels of government which will lead towards building an integrated emergency preparedness and response capability for dealing with all types of disasters;

- Provide funds and technical assistance to State and local governments to design, develop, purchase and install systems, hardware, and facilities which will enhance response capabilities;

- Provide technical and financial assistance to all State and local governments in the development, improvement, and integration of hazard-specific plans into all-hazards emergency operations plans (this includes providing $70,628,000 in Emergency Management Assistance grants);

- Provide technical and financial resources to all State and local governments in developing, conducting and evaluating exercises to assess emergency response capabilities while focusing more attention on the all-hazards approach;

- Define training required to improve performance and develop instructional materials with established training objectives to provide students with the knowledge and skills required to prepare for, respond to, recover from, and mitigate the impact of disasters regardless of cause;

- Deliver training activities at resident facilities in Emmitsburg, Maryland, and Berryville, Virginia, addressing response, planning, management, survivable crisis management, civil/military interface, radiological emergency preparedness, hazardous materials awareness and response, floodplain management, mitigation, recovery, earthquake preparedness, and training for MERS and NEMT; design and deliver six exercise-based Integrated Emergency Management Courses (IEMC's) to the entire management structure of the following specific communities: Douglas County, Colorado; New Hanover County, North Carolina; Cuyahoga County/Cleveland, Ohio; Oklahoma City, Oklahoma; Henderson, Nevada; Chesterfield County, Virginia. Provide support for automating systems, audio visual requirements, printing, equipment, contract instruction and student travel stipends requirements; process training requests for individual and group training in support of the Agency employee development program and host special conferences;

- Train students through State-delivered training programs, including the Superfund Amendment and Reauthorization Act (SARA) Title III Hazardous Materials Training program; offer video and computer based instruction, as well as text; expand EENET activities to include remote broadcast from selected locations and to broadcast to specifically targeted audiences in limited geographic areas;

- Provide operational support services at the Special Facility;

- Develop an all-hazards exercise doctrine. Design, plan, schedule, develop, conduct and evaluate exercises to improve the emergency management capabilities of Federal, State, local, and private sector organizations; through exercise training offices, provide exercise assistance to local jurisdictions; through exercises, address recommendations stemming from: (1) the Civil Defense requirements study; (2) the RESPONSE 93 After-Action Report; (3) the Director's goals and priorities; and (4) recent reviews and critiques of FEMA's response to disaster events;

- Continue radiological emergency preparedness plan reviews for commercial nuclear power facilities, and stress preparedness improvements through exercises; recover REP program funding through the collection of fees; through rulemaking, develop a methodology for recovery of the fees. Additional activities under the REP program including the following:

- Publish revisions to 44 CFR 350 and 44 CFR 351;
- Revise exercise evaluation documents, FEMA REP 14 and REP 15; continued to develop and implement a REP Planning Guidance Manual;
- Complete Findings and Determinations for offsite radiological emergency plans and preparedness under 44 CFR 350; participate in Atomic Safety and Licensing Board Hearings, as required;
- Evaluate 39 joint offsite exercises (utility, State and localities) and 11 remedial exercises;

o Continue to fulfill National Security Emergency Preparedness responsibilities under National Security Council (NSC) guidance.

o Implement corrective actions for Federal and State owned underground and aboveground storage tanks that require replacement, removal, repair, or upgrade;

B. 1995 Program. In 1995, FEMA requests $171,288,000 and 651 workyears for this activity, of which $40,077,000 is under Salaries and Expenses and $131,211,000 is under Emergency Management Planning and Assistance. In 1995 FEMA will:

o Implement the HAZMAT program through technical assistance to State and locals while emphasizing the first responders constituency ($385,000);

o Develop a FEMA national technical center for Federal, State, and local governments for all-hazards facilities, equipment, and instrumentation ($1,382,000);

o Maintain and enhance automated State and local program evaluation and capability assessment systems and replace as necessary ADP and related software equipment needed to support program activities ($655,000);

o Implement corrective actions for Federally-owned underground and aboveground storage tanks that require replacement, removal, repair, or upgrade ($5,000,000);

o Provide leadership, expertise, and financial assistance to improve the operational effectiveness of State and local all-hazards plans and the development or improvement of Survivable Crisis Management plans and capabilities ($94,754,000 which includes $70,628,000 for Emergency Management Assistance grants);

- o Provide support to enhance State and local emergency management capabilities to use electronic information efficiently and effectively by sharing systems to disseminate technical and other essential information ($250,000);

- o Design, develop, and evaluate emergency management training for delivery at resident facilities, via State training programs, the independent study program, EENET broadcasts and the agency employee development program; target training specifically for public officials and to improve FEMA staff capabilities to respond to emergencies; ($10,879,000 Comprehensive Cooperative Agreement (CCA) grants out of total $18,380,000 under Emergency Management Planning and Assistance);

- o Streamline the CCA process to provide the States with greater flexibility in the use of Federal funds to meet their emergency management priorities and requirements and to eliminate unnecessary and prescriptive reporting requirements ($50,000);

- o Maintain and operate the FEMA Special Facility for use in support of preparedness, training, and exercises for FEMA's all-hazard emergency response, and national security missions; as an Alternate Teleregistration Center for financial management central processing; and central storage of ADP and communications for disaster response and recovery and provide support for the operation of a cafeteria ($2,744,000);

- o Continue to develop and implement the all-hazard exercise program including the design, development, conduct, evaluation, and corrective actions components, which, when implemented, will improve the ability of Federal, State, and local governments, volunteer organizations, and the private sector to respond to emergency and disaster situations, regardless of cause ($2,000,000);

- o Continue radiological emergency preparedness plan reviews for commercial nuclear power facilities and stress preparedness improvements through exercises; provide technical assistance to State and local governments to facilitate implementation of the REP program; and recover REP program funding through the collection of fees ($5,611,000). Additional REP activities include the following:

    - Complete Findings and Determinations for offsite radiological emergency plans and preparedness under 44 CFR 350;

    - Evaluate 35 joint offsite exercises;

    - Continue/complete the revision of FEMA REP 14 and REP 15; and

    - Continue to develop and implement a REP Planning Guidance Manual.

__1995 Increases/Decreases__. The 1995 request includes an increase of $2,300,000 under Emergency Management Planning and Assistance which will be used as follows:

- $1,500,000 to:
    - Assist Regional, State, and local emergency management organizations in administering FEMA's new Comprehensive Exercises Program designed to expand and strengthen emergency response capabilities at the State and local level for all types of emergencies;
    - Provide technical and financial support to State and local governments and FEMA Regional Offices to develop and institutionalize a prototype exercise grant program to test approved plans, policies, and procedures for responding to all types of emergencies;
    - Develop and promulgate new exercise guidance documents for Federal, State, local, and private sector emergency management organizations;
    - Provide the critical training required by exercise designers, controllers, and evaluators to enhance the effectiveness and efficiency of the exercise planning cycle.
- Meet the increasing demand on State and local governments, prompted by a number of legislative and regulatory requirements, to build a preparedness capability to handle hazardous materials incidents by providing support to the State hazardous materials planning/exercise grant program, developing courses and providing instructional materials ($800,000).

F. __Outyear Implications__. No outyear implications over the 1995 request.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
FIRE PREVENTION AND TRAINING
(Dollars in Thousands)

	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Budget Authority..................	$24,328	$24,301	$24,301	$24,301	...

Changes from Original 1994 Estimates. None.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
FIRE PREVENTION AND TRAINING
(Dollars in Thousands)

	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation					
11.1 Full-time permanent	...	...	...	...	...
11.3 Other than full-time permanent	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	...	...	...	...	...
Personnel Benefits					
12.1 Civilian personnel	...	...	...	...	...
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-personnel Costs					
21.0 Travel and transportation of persons	...	...	...	...	...
22.0 Transportation of things	$22	$42	$37	$37	...
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	558	605	645	617	($28)
24.0 Printing and reproduction	1,240	1,368	1,480	1,507	27
25.1 Consulting services	...	423	820	820	...
25.2 Other services	10,885	10,810	10,887	10,633	(254)
25.3 Purchases of goods and services from Government accounts	1,721	1,464	1,586	1,711	125
25.4 Operation of GOCOs	...	...	...	...	...
25.5 Research and development contracts	...	100	100	300	200
26.0 Supplies and materials	312	531	354	361	7
31.0 Equipment	655	296	395	420	25
32.0 Land and structures	5,426	4,950	4,325	4,325	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies, and contributions	3,509	3,712	3,672	3,570	(102)
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	24,328	24,301	24,301	24,301	...

Fire Prevention and Training

A. Objective/Element Description. This activity prepares Federal, State and local officials, their supporting staffs, emergency first responders, volunteer groups, and the public to meet the responsibilities and challenges of domestic emergencies through planning, mitigation, preparedness, response, and recovery. The United States Fire Administration (USFA) is the Federal fire focus within the Federal Emergency Management Agency (FEMA) and has ultimate responsibility for all fire and emergency medical service (EMS) programs and fire and EMS training activities. Fire prevention and hazard mitigation activities are developed and delivered through the USFA, utilizing programs designed to build capacity at the State and local level; to enhance the nation's fire prevention and arson control and EMS activities and, thereby, significantly reduce the nation's loss of life from fire; to achieve a reduction in property loss and non-fatal injuries to firefighters and citizens due to fires; and to improve emergency preparedness capability. Educational programs are provided through the National Fire Academy (NFA), at the National Emergency Training Center and through the field fire training delivery systems. This activity also provides for costs for operating the National Emergency Training Center (NETC) in Emmitsburg, Maryland, including maintenance, security, housekeeping and equipment, resources required to operate the learning resource center, and media support.

B. 1993 Accomplishments. In 1993, FEMA used a total of $31,301,000 and 120 workyears for this activity, of which $6,973,000 was under Salaries and Expenses and $24,328,000 was under Emergency Management Planning and Assistance. These resources provided for the following:

- o Operated and maintained NETC.
- o Continued the campus renovation program.
- o Completed the first phase of the Hotel/Motel Fire Safety Act (P.L. 101-391) which encouraged travelers to stay in accommodations protected by fire sprinklers and smoke detection systems.
- o Continued public awareness campaigns emphasizing residential sprinklers and home fire safety practices; conducted programs for fire prevention and education targeted at high-risk populations such as senior citizens, the disabled, children, and the hearing impaired.
- o Using the Emergency Education Network (EENET), developed and conducted videoconferences on Juvenile Firesetters, Residential Sprinkler Technology, Chemicals in Schools, Women in the Fire Service, Smoke Detectors, public education volunteer fire service in the public/private partnership with volunteer fire departments, Emergency Medical Services (EMS) safety and health topics including the decontamination of personal protective clothing, EMS awareness, and technical rescue safety.

- Continued a broad-based effort on arson including cause and origin research, expert witness capability, and wildland arson problems with the Bureau of Alcohol, Tobacco, Firearms (BATF), U.S. Forest Service and the Federal Bureau of Investigations (FBI). Conducted a multi-pronged arson mitigation program in Lawrence, MA in conjunction with the State Fire Marshal, Lawrence Fire Department, the Mayor's Office, Chamber of Commerce, and the Lawrence School System.

- Continued development and revision of NFA resident, field, regional and the Open Learning Fire Service Program (OLFSP) courses; conducted short-term evaluation of Academy programs and start-up of Phase I long-term evaluation; released four courses for national distribution; and submitted new/revised courses to the American Council on Education (ACE) for recommendation for college-level credit. Conducted needs assessments for Academy curriculum planning; prepared three additional Academy-developed and pilot-tested training packages for hand-off delivery by local instructors to State and local personnel.

- Conducted the national ceremony to honor fallen firefighters at the National Fallen Firefighter Memorial.

- Provided training to the fire service, rescue, EMS and allied professionals:

Delivery Program	Number of Course Deliveries	Number of Students	Student Days
Resident	176	4,089	37,122
Field	397	10,345	20,690

C. Changes from the 1994 Estimate. None.

D. 1994 Program. In 1994, FEMA is allocating a total of $31,490,000 and 125 workyears to this activity, of which $7,189,000 is under Salaries and Expenses and $24,301,000 is under Emergency Management Planning and Assistance. The resources will allow FEMA to:

- Operate and maintain NETC.

- Continue planning, design, and accomplishment of major repair and replacement projects to bring the facility and structures into compliance with applicable Environmental Protection Agency (EPA) and Occupational Safety and Health Administration (OSHA) standards and the National Electrical code, as well as make the necessary physical plant and structural renovations.

- Conduct research programs for arson cause and origin and investigation techniques, and publish results.
- Continue national public education and awareness targeted campaigns focusing on basic research, technical information and assistance and demonstrations; involvement with the Hotel/Motel Fire Safety Act (PL 101-391) through education of Federal Agencies about the requirements of the Act; public/private partnership involving technical assistance and information through Operation Life Safety (OLS); and multi-pronged arson program including research, testing, demonstrations, technical assistance.
- Continue to provide technical assistance to State and local communities in the implementation of community volunteer fire prevention programs.
- Expand efforts with national and State building and fire code organizations; and USFA roles and activities in the development of new, national coalitions of Federal Agencies and national public interest organizations for fire, EMS and life safety.
- Carry out new research and development activities for initiating public behavior change, assessing and evaluating impacts of public fire safety education for educating and building partnerships with various media, and developing new, effective tools for use by State and local fire service and other organizations.
- Provide planning and preparedness guidance for enhancing emergency preparedness and response capabilities of State and local governments and first responders.
- Enhance fire and EMS response capabilities by carrying out the development and dissemination of response information for first responders as a result of the Congressional directives; continue the process for evaluation of the first responder guidance as required by the Firefighter Safety Study Act; and continuing to convene the interagency working group established to improve the information available to emergency response personnel.
- Enhance the level of fire protection identifying new opportunities to enhance volunteer fire service roles and efforts; continue coordination efforts with other Federal and State agencies and public interest organizations on fire related matters; and expand development efforts for volunteer fire service involvement in public/private partnerships.

- Continue to develop and disseminate specialized information for State and local fire service with special focus on groups who are particularly vulnerable to fire hazards; support fire service participation in national consensus codes process, disseminate the code conference report to all code organizations and interested parties, and continue review for compliance to fire codes and specifications in the area of underground storage involvement; and improve cooperation with the National Association of State Fire Marshals to identify and address statewide fire issues.
- Expand joint efforts with other FEMA program offices to enhance Integrated Emergency Management Systems and the EMS Public Information and Education Program.
- Follow up on the campaign to bring firefighter health and safety messages directly to the firehouse through attention getting media and on recommendations for a standard firefighter autopsy protocol. Continue research on the occupational health and safety of ambulance patient and crew compartments.
- Conduct special studies and analyses for firefighter protective clothing and equipment for structural firefighting; and for protective clothing for special applications, e.g.; urban search and rescue, emergency medical services, and chemical incidents.
- Develop a manual detailing safe practices for vehicle rescue operations.
- Continue research on Americans With Disabilities (ADA) implications for the American fire service, including follow-up on recommendations from the 1993 National conference related to ADA.
- Continue operation of current National Fire Incident Reporting System (NFIRS) program in conjunction with National Fire Information Council (NFIC) to improve data collection and analysis capabilities. Finish development of the new NFIRS system specifications cooperatively with NFIC. Develop software and manuals for the new system and pilot test the system at selected sites.
- Continue to expand the USFA Technical Report Series - Major Fire Investigations Program to address current major population evacuations or similar conditions utilizing fire and emergency management resources.
- Continue work on the fire reporting system; work on the fire department profile analysis, i.e., training, resources, organization, and operation implications; and efforts on the identification of firefighter fatalities.

- Develop and/or revise resident, field, and/or regional delivery courses. Conduct evaluation of individual course offerings and evaluation of Academy impact. Provide American Council on Education (ACE) accreditation review and listing of all new and revised courses. Continue national needs assessment for Academy curriculum planning and integration into Academy decision making. Develop a prototype alternative delivery package for a home study module. Conduct national training needs assessment through TRADE composed of the state fire training network and the major size fire and rescue departments throughout the Nation.
- Continue the annual national ceremony to honor fallen firefighters.
- Conduct the Volunteer Incentive Program (VIP); the Executive Fire Officer Program (EFOP); and Contract Instructor In-Service Training Workshops.
- Coordinate the Student Manual Support Program through the Train the Trainer (T-t-T) participating organizations at the State and local level.
- Support the Open Learning Fire Service Program development/delivery and marketing responsibilities.
- Continue interagency agreements to print, stock, and disseminate Academy training materials; the Executive Fire Officer Symposium program; support of the Arson, Fire Protection, and Incident Simulation Laboratories; the Organizational Analysis and Renewal (OAR) Program; and the FEMA Fire Executive Fellowship Program with Harvard University/John F. Kennedy School.
- Prepare for hand-off of Academy developed and field-tested training packages through the annual T-t-T program.
- Provide training to the fire service, rescue, EMS and allied professionals:

Delivery Program	Number of Course Deliveries	Number of Students	Student Days
Resident	160	4,130	38,000
Field	411	12,330	24,660

E. 1995 Program. In 1995, FEMA requests a total of $31,490,000 and 125 workyears for this activity, of which $7,189,000 is under Salaries and Expenses and $24,301,000 is under Emergency Management Planning and Assistance. The resources will be used to fund the following:

- Operate and maintain the Emmitsburg resident educational facility (NETC) consisting of 23 buildings which house the Emergency Management Institute, the United States Fire Administration, including the National Fire Academy, and the Field Personnel Operations Division; provide minor space alterations, maintenance support for the full service food service operation, operation of the facility and office supply warehouses, operation of the duplicating center, courier service between Emmitsburg and Washington, and maintenance of the campus utilities; student services including housekeeping, security including operation of the campus and switchboard emergency medical services. ($4,842,000)

- Operate the Learning Resource Center including library services, information research, and response to public inquiries; provide media production services including the development of slides, video tapes, overhead transparencies, slide/tape programs, typesetting, and graphic layout; purchase hardware to expand the NETC local area network student admissions system and business applications of the activities located at NETC; and support development of computer-based instruction. ($1,227,000)

- Continue planning, design, and accomplishment of major repairs and replacement projects to bring the facility and structures into compliance with applicable Environmental Protection Agency (EPA) and Occupational Safety and Health Administration (OSHA) standards and the National Electrical Code, as well as make the necessary physical plant and structural renovations ($5,000,000). This is the final year of funding the 5-year renovation plan and includes:

    - Site survey and upgrade of all building mechanical systems to include HVAC systems, pumps, plumbing, water systems, and steam distribution systems.

    - Install energy management system.

    - Construct new building to house fifty employees, expand student parking, and build road to new building.

    - Construct addition to student center.

    - Renovate barn and construct buildings in surrounding area to provide warehouse and maintenance complex.

- Continue and expand programs in arson research, development and technical areas including new investigation information and techniques; continue successful juvenile firesetters projects, arson information management system program, and community-based anti-arson projects; publish and disseminate information and reports developed from these efforts. ($1,250,000)

- Enhance national public educational awareness campaigns with special emphasis on high-risk populations through focus on home fire safety, smoke detector installation and maintenance, residential fire sprinklers, and firefighter health and safety issues. Support broadcast of seven videoconferences on fire safety topics. ($1,275,000)

- Continue multi-pronged approach to residential sprinklers by focusing on basic research, information and assistance and demonstrations. ($980,000)

- Further implement the Hotel/Motel Fire Safety and Federal Fire Safety Acts. ($300,000)

- Continue the National Community Volunteer Fire Prevention Program (NCVFPP) and offer technical assistance to state and local communities. Provide support to states and local communities through train-the-trainer concepts; form partnerships with public service organizations and continue to identify and promote successful local community prevention programs. ($300,000)

- Expand efforts with national and State building and fire code organizations to address evolving technology and other unique fire challenges and continue to support fire service participation in the national consensus codes process. ($250,000)

- Enhance fire service response capability by carrying out the development and dissemination of better response information for first responders; continue the process for evaluation of the first responder guidance as required by the Firefighter Safety Study Act; and continue to convene the interagency working group established to improve the information available to emergency response personnel concerning hazardous materials emergencies. ($313,000)

- Continue coordination with National Association of State Fire Marshals to identify and address statewide fire issues. ($187,000)

- Continue joint efforts with other FEMA program offices to enhance integrated emergency management systems. Enhance the relationship between the fire service and other public policy and management organizations, such as the International City Managers Association, National Governors Association, National League of Cities, and National Association of Counties. ($75,000)

- Identify and sponsor research on the application of sprinkler systems for data processing facilities, single-family residential dwellings, and light and ordinary hazards specifications for schools, office buildings, and manufacturing plants. ($1,025,000)

- Increase level of fire protection by identifying new opportunities to enhance volunteer fire service roles and efforts; continue coordination efforts with other Federal and State Agencies and public interest organizations on fire related matters; and expand development efforts for fire service involvement in public/private partnerships. ($100,000)

- Continue efforts in leadership conferences addressing current issues related to the Nation's fire problem through educational and informational assistance. ($75,000)

- Continue to develop and disseminate specialized information for State and local fire service with special focus on groups who are particularly vulnerable to fire hazards such as children, senior citizens, physically impaired and Native Americans. ($58,000)

- Conduct special studies and analyses for firefighter protective clothing and equipment for structural firefighting, protective clothing for special applications, e.g. Urban Search and Rescue/Technical Rescue, Medical Emergencies, and chemical incidents, etc. ($325,000)

- Continue follow-up on recommendations from the 1993 National conference related to ADA. ($75,000)

- Continue the Ambulance Safety Prototype, and expand the project to include airborne pathogens, and disseminate report. ($226,000)

- Continue to expand the EMS Public Information and Education Program. ($95,000)

- Continue research into new technologies for technical rescue and vehicle extrication. Technical Rescue refers to confined space rescue, building collapse (urban) search and rescue, rope/high angle rescue, water rescue, and other special rescue situations. ($200,000)

- Complete investigations and distribute investigative reports into Technical Rescue Incidents and the EMS Recruitment and Retention Manual. ($84,000)

- Print Firefighter Health and Safety publications. ($50,000)

- Continue operation of the current NFIRS program in conjunction with NFIC to improve data collection and analysis capabilities. ($550,000)

- Continue the USFA Technical Report Series with a focus on major population evacuations or similar conditions utilizing fire department and emergency management resources. ($200,000)

- Continue work on the identification of causes of firefighter fatalities, health and safety concerns related to the fire service, and the fire department operations profile analysis. ($127,000)

- Develop and/or revise resident, field and/or regional delivery courses; conduct evaluation of individual courses and evaluation of Academy curriculum impact; provide editorial/book production and classroom-set/delivery support for Academy programs; continue a national needs assessment for Academy curriculum planning; convert traditional classroom-based field courses into a programmed home-study format; and provide American Council on Education accreditation review and listing of all new and revised courses. ($1,441,000)

- Continue the annual national ceremony to honor firefighters who have given their lives in service to their communities, and luminary service in which fallen firefighters families honor their loved ones. ($25,000)

- Conduct off-campus direct delivery of courses to fire service personnel at the State and local level; coordinate the student manual support program which provides training materials to fire service personnel through T-t-T courses conducted at the State and local level; conduct contract instructor in-Service Training Workshops for State and local fire service personnel to enhance Academy off-site deliveries; prepare for hand-off of Academy developed and field-tested training packages through the annual T-t-T Program; conduct nationally, regional deliveries of modified resident courses to fire service personnel; support off-campus T-t-T deliveries sponsored by individual States; support the TRADE Program; and continue an interagency agreement to print, stock, and disseminate Academy training materials. ($1,111,000)

- Deliver on-campus "resident" courses to fire service personnel and allied professionals. Specific "resident" programs include the Volunteer Incentive Program; Executive Fire Officer course series/symposium; and hazardous materials, technical and mid-management level courses. Continue the on-campus State Weekend Program for participating States and their fire and rescue personnel; and continue support of the Arson, Fire Protection, and Incident Simulation residential laboratories. ($2,175,000)

Delivery Program	Number of Course Deliveries	Number of Students	Student Days
Resident	184	4,600	43,600
Field	450	13,500	27,000

- Continue special emphasis programs which include: the Organizational Analysis and Renewal (OAR) Program; the FEMA Fire Executive Fellowship Program with Harvard University/John F. Kennedy School of Government; the Open Learning Fire Service Program (OLFSP); and the Academy's educational conference display booth. ($230,000)

- Purchase classroom development/delivery related supply and equipment items. ($130,000)

1995 Increases/Decreases. None.

F. Outyear Implications. No outyear implications over the 1995 request

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
OPERATIONS SUPPORT
(Dollars in Thousands)

	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Budget Authority...............	$45,955	$37,270	$25,768	$20,815	-$4,953

Changes from Original 1994 Estimates. Reflects a decrease of $11,023,000 as part of a Congressional general reduction and a reprogramming of $479,000 to the Hurricane program.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
OPERATIONS SUPPORT
(Dollars in Thousands)

	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation					
11.1 Full–time permanent	...	...	...	...	...
11.3 Other than full–time permanent	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	...	...	...	...	...
Personnel Benefits					
12.1 Civilian personnel	...	...	...	...	...
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non–personnel Costs					
21.0 Travel and transportation of persons	...	...	...	...	...
22.0 Transportation of things	$49	...	...	...	...
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	16,303	$22,689	$18,690	$13,737	($4,953)
24.0 Printing and reproduction	2	...	...	...	...
25.1 Consulting services	300	768	...	...	...
25.2 Other services	9,288	1,110	6,225	6,225	...
25.3 Purchases of goods and services from Government accounts	20,131	7,251	...	...	...
25.4 Operation of GOCOs	...	...	...	...	...
25.5 Research and development contracts	150	...	...	...	...
26.0 Supplies and materials	918	245	789	789	...
31.0 Equipment	2,674	5,046	64	64	...
32.0 Land and structures	105	161	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies, and contributions	35	...	...	...	...
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	49,955	37,270	25,768	20,815	(4,953)

Operations Support

A. Objective/Element Description. This activity has primary responsibility for providing all FEMA elements with direct support services which address the common needs of all Agency programs. Included in these services are administration, acquisition, logistics, information systems, security and health and safety for day-to-day operations and all-hazards emergencies. Additionally, Operations Support (OS) ensures adherence to management policies of the Agency and provides programmatic guidance. The information systems efforts consist of policy and oversight guidance, software design and engineering support, communications design and engineering support, and operation and maintenance support. These efforts include requirements for specialized capabilities and integration of the FEMA-wide networks. This activity provides for the operation of the "backbone" communications systems that are essential for the Agency to accomplish it's day-to-day and emergency response missions.

B. 1993 Accomplishments. In 1993, FEMA used a total of $91,586,000 and 414 workyears for this activity, of which $41,631,000 was under Salaries and Expenses and $49,955,000 was under Emergency Management Planning and Assistance. In 1993, the work accomplished by the organizational elements under the Operations Support Directorate included the following:

- Provided operations and maintenance support to ensure that the five Mobile Emergency Response Support (MERS) Detachments maintained an operational readiness capability, and maintained the Logistics Management Facility located at the Special Facility.

- Maintained liaison activities and represented the Agency in working groups with Federal departments and Agencies, States, and local government agencies on information systems issues and policies; assisted in assessing the Agency Information Systems Security posture and maintaining the FEMA Frequency Spectrum Program.

- Developed and fielded the prototype operational capability for all-hazards situation assessment that supported the Agency's efforts during the 1993 hurricane season and the Midwest floods; developed, acquired, and configured systems and data necessary to support the all-hazards situation assessment capability; developed software applications including: Central Locator System, National Fire Incident Reporting System, Tele-registration Center support, an independent study data base for the Emergency Management Institute, Case Tracking system for the Inspector General, and a document tracking system with agency-wide applications.

- Designed, built, integrated, tested, and fielded the local area network and high frequency area network which are necessary to support the situation assessment applications and models; continued the service life extension program to increase the capability while reducing the size, weight, and out year maintenance cost of the telecommunication capabilities which support the MERS Detachments; provided the Mobile Air Transportable Telecommunications System (MATTS) with a more efficient bandwidth to satisfy the operational support requirements; initiated the repackaging of the telecommunications equipment for the MERS Detachments; and built a gateway for the new bandwidth management technology to the FEMA Switched Network.

- Completed the upgrade of the National Warning System (NAWAS) telephone equipment in the remaining seven regions and State and local warning points; improved the communications and warning capabilities of Federal, State, and local emergency coordinators; completed the installation of the FEMA National Automated Message System communications terminals in all State Emergency Operation Centers (EOC's); and continued the operations and maintenance of the FEMA communications and information processing systems: FEMA Switched Network, Emergency Broadcast System (EBS), FEMA National Radio System, and National Warning System to provide day-to-day preparedness and response activities.

- Developed and implemented an Aerial Reconnaissance Program which included providing support to the Hurricane Emily and Midwest flooding disasters and establishing Security Assistance Teams to support and coordinate the security efforts at the disaster sites.

C. Changes from the 1994 Estimate. Reflects a net decrease of $11,502,000: a decrease of $11,023,00 as part of a Congressional general reduction and a reprogramming of $479,000 to the Hurricane program.

D. 1994 Program. In 1994, FEMA is allocating a total of $69,671,000 and 397 workyears to this activity, of which $43,903,000 is under Salaries and Expenses and $25,768,000 is under Emergency Management Planning and Assistance. In 1994, the work planned under Operations Support includes the following:

- Implement an agency-wide "Help Desk" to provide a one-stop location for FEMA personnel who require information about Operations Support (OS) programs and initiatives.

- Continue to operate and maintain the Logistics Management Facility at the Special Facility which directly supports the MERS detachments and the automated Logistics Management System.

- Maintain liaison activities with departments and agencies on information system policy issues; provide FEMA activities with technical expertise to assist in the performance assessment of new information systems; ensure compatibility and interoperability between current and future information systems. Develop and conduct Information Systems Security Program training.

- Continue development and integration of automated all-hazards situation assessment, software, capabilities to support emergency operations including: delivery of existing capabilities to operations staff; development of additional hazard models; establishment of electronic linkages to State EOC's, Disaster Field Offices, and Regions to ensure the exchange of situation assessment information; development of new/enhanced situation assessment databases; and development and implementation of a strategic plan for the efficient and effective acquisition, use, sharing, and maintenance of databases to support situation assessment by FEMA, other Federal agencies and State and local governments.

- o Complete integration of the local area network in the MERS Detachments to support the all-hazards response; identify and test new technologies to enable the FEMA Switched Network to operate more efficiently; develop and field a video capability to provide the MERS Detachments with current technology for disaster response; provide agency-wide activities with engineering support to ensure that planned replacement, upgrade, or enhancements to systems will be both comparable and interoperable with current and approved telecommunications capabilities; and provide engineering support to other Federal Agencies, States, and local governments in the development of all-hazards response capabilities.

- o Continue the operation and maintenance of all FEMA communications and information systems which support normal and all-hazard response and recovery requirements, exclusive of the MERS Detachments specialized capabilities; continue current capability to extend the FEMA networks and information systems into disaster response/recovery operations sites through improvements in the integration of existing FEMA information systems; and implement an Emergency Broadcast System (EBS) Primary Entry Point (PEP) configuration to provide backup of the Emergency Broadcast System network and to increase its survivability.

- o Continue the Aerial Reconnaissance Program in support of situation assessment; perform security assessments of the FEMA facilities; and continue meeting agency security support requirements.

B. 1995 Program. In 1995, FEMA requests a total of $64,718,000 and 397 workyears for this activity, of which $43,903,000 is under Salaries and Expenses and $20,815,000 is under Emergency Management Planning and Assistance. Program activities will include the following:

- o Expand the capabilities and services of the "Help Desk" by using new technology to increase efficiency. ($250,000)

- o Continue to support the FEMA Safety and Occupational Health Program and implementation of safety and occupational health initiatives in compliance with OSHA standards and guidelines. ($50,000)

- o Continue to operate and maintain the Logistics Management Facility at the Special Facility and support an automated Logistics Management System all of which is in support of the MERS all-hazards missions. ($540,000)

- o Continue liaison activities with departments and agencies on information system policy issues; provide FEMA activities with technical expertise to assist in the performance assessment of new information systems; ensure compatibility and interoperability between current and future information systems; and conduct Information Systems Security Program training. ($100,000)

- Continue development and integration of automated, all-hazards situation assessment capabilities to support emergency operations including: delivery of existing capabilities to operations staff; development of additional hazard models; establishment of electronic linkages to State EOC's, Disaster Field Offices, and Regions to ensure the exchange of situation assessment information; development of new/enhanced situation assessment data bases; and development and implementation of a strategy and plan for the efficient and effective acquisition, use, sharing and maintenance of data bases to support situation assessment by FEMA, other Federal Agencies and State and local governments. ($500,000)

- Build, test and field a High Frequency radio capability that is configured to provide an improved capability to support disaster operations; develop a satellite system for connecting FEMA-wide activities with State and local governments; and implement a multimedia wide area network system for the FEMA Switched Network. ($4,500,000)

- Continue the operation and maintenance of the FEMA communications and information systems which support normal, recurring Agency requirements and all-hazards response and recovery activities; and continue efforts to extend all current FEMA networks and information systems into disaster response and recovery operations sites. ($14,525,000)

- Continue the Aerial Reconnaissance Program to support the situation assessment efforts; perform risk-based assessments of the FEMA facilities; and continue meeting agency security support requirements. ($350,000)

F. 1995 Increases/Decreases. A decrease of $4,953,000 under Emergency Management Planning and Assistance reflects a reduction in the National Networks area and may result in a reduction or termination of telecommunications/NAWAS networks connectivity to State EOC's.

G. Outyear Implications. Some of the current network equipment and technology will become obsolete and require systematic updating in the future in order to maintain current operational levels and capabilities.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
MITIGATION PROGRAMS
(Dollars in Thousands)

	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Mitigation Programs...........	$62,248	$66,048	$67,048	$77,086	$10,038
Less fees from policy holders.	(44,154)	(48,092)	(48,092)	(48,092)	---
Total Mitigation Programs (Budget Authority)..........	18,094	17,956	18,956	28,994	10,038

Changes from Original 1994 Estimates. Reflects a reprogramming of $1,000,000 to increase funding for hurricane planning and mitigation efforts.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
MITIGATION PROGRAMS
(Dollars in Thousands)

	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation					
11.1 Full–time permanent	...	...	...	...	...
11.3 Other than full–time permanent	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	...	...	...	...	...
Personnel Benefits					
12.1 Civilian personnel	...	...	...	...	...
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non–personnel Costs					
21.0 Travel and transportation of persons	...	...	...	...	...
22.0 Transportation of things	...	...	...	...	...
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	$126	...	...	...	...
24.0 Printing and reproduction	170	$435	$419	$514	$95
25.1 Consulting services	400	...	...	...	...
25.2 Other services	8,768	11,886	11,724	16,245	4,521
25.3 Purchases of goods and services from Government accounts	796	...	...	...	...
25.4 Operation of GOCOs	...	...	...	...	...
25.5 Research and development contracts	...	...	...	...	...
26.0 Supplies and materials	37	...	...	...	...
31.0 Equipment	1	...	...	...	...
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies, and contributions	7,796	5,635	6,813	12,235	5,422
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	18,094	17,956	18,956	28,994	10,038

Mitigation Programs

A. Objective/Element Description. This activity provides for the development, coordination and implementation of policies, plans, and programs to eliminate or reduce the long-term risk to human life and property from natural and technological hazards, such as floods, earthquakes, hurricanes, and dam failures. The activity's programs identify, assess, and address the nature and extent of risk for all hazards. This information is developed into mitigation strategies and delivered through the FEMA regional offices or other appropriate mechanisms to the end user, whether it be State and local governments, engineers, architects, planners, code officials, or community leaders. Emphasis is given to the integration and efficient implementation of existing mitigation authorities; identification of gaps in these authorities and proposed remedies; and to developing, implementing, and supporting innovations that encourage and foster a multi-hazard approach to mitigation activities at the state and local level by both governmental and private sector entities. All costs for the floodplain management component will be borne by policyholders and reimbursed from the National Flood Insurance Fund.

B. 1993 Accomplishments. In 1993, FEMA used a total of $77,562,000 and 231 workyears for this activity, of which $15,314,000 was under Salaries and Expenses and $62,248,000 was under Emergency Management Planning and Assistance. This activity accomplished the following:

- Executed FEMA's statutory lead-agency responsibilities for the National Earthquake Hazard Reduction Program (NEHRP), including NEHRP Advisory Committee support, submission of the biennial report and a report on improving earthquake mitigation to Congress, and initiation of follow-up activities on the indirect economic consequences of earthquakes.

- Developed national seismic design provisions and methodologies to focus on rehabilitation of existing buildings; initiated development of a multi-hazard design handbook series for home builders; updated provisions for new construction; continued development of a systematic approach to loss estimation; provided financial assistance to the States; established a National Earthquake Technical Assistance Contract to provide technical assistance to State and local governments; prepared reports to the President and the Congress on implementation of Executive Order 12699 governing seismic resistant design for new Federal buildings; and continued information transfer through workshops and dissemination of Earthquake Hazards Reduction series publications.

- Completed 5 hurricane population preparedness projects in 9 of the project areas; conducted training courses and workshops for State and local officials; initiated a National Behavioral Survey to assess the effects of Hurricane Andrew on evacuation; and completed post-storm assessments for Hurricanes Andrew and Iniki.

- Chaired the Interagency Committee on Dam Safety; published the biennial report to the President on the status of National dam safety; conducted Federal dam safety workshops; and updated the National Dam Inventory.

- Evaluated and completed 266 flood insurance studies and restudies which began in prior years.

- Initiated 111 flood map updates under the Limited Map Maintenance Program as a cost containment measure to a full restudy; produced digital flood map data for 3,000 flood insurance rate map panels (approximately 40 counties) to improve risk-data availability and usability for program constituencies; printed 6,800 map panels, (4,011,750 individual map panels) and distributed 3,400,000 individual map panels; and evaluated 4,500 official appeals or requests for revision and amendment of flood insurance maps.

- Supported the Community Assistance Program and the Community Compliance Program; evaluated the floodplain management programs of 4,000 communities and provided technical assistance to local officials, States, and others constituents; verified that 350 communities remain in full compliance with National Flood Insurance Program (NFIP) requirements prior to receiving rate credits under the Community Rating System (CRS) and field verified 250 communities to determine additional CRS credit.

- Initiated a Home Study Course on floodplain management for local officials, entitled "Managing Floodplain Management Through the National Flood Insurance Program".

- Assisted 500 communities in updating their floodplain management ordinances.

- Institutionalized standard operating procedures (SOPs) for providing building performance assessments and technical assistance to assure compliance of reconstruction after catastrophic flood events with specific reports which were published after Hurricanes Andrew and Iniki; and completed the code capability standards for earthquake, wind, fire, and floods by means of a design analysis.

- Purchased 12 properties at an average cost of $56,000 through the Flooded Property Purchase program which operates on a two-year funding basis due to the long lead time required to carefully select the most cost-effective properties and complete the acquisition process.

- Developed technical guidance and cost considerations for elevating substantially damaged buildings in Dade County, Florida and the Mid-West.
- Conducted 20 workshops for building code officials on design and construction techniques for wind and flood hazards.
- Initiated the development of a national design consensus standard for flood with the American Society of Civil Engineers (ASCE).

C. Changes from the 1994 Estimates. Reflects a reprogrammig of $1,000,000 to increase funding for hurricane planning and mitigation efforts.

D. 1994 Program. In 1994, FEMA is allocating a total of $82,978,000 and 232 workyears to this activity, of which $15,930,000 is under Salaries and Expenses and $67,048,000 is under Emergency Management Planning and Assistance. With these resources FEMA plans to:

- Execute FEMA's NEHRP coordination, reporting and planning requirements, which include completing an initial assessment of the Nation's earthquake hazards reduction efforts and defining components of a seismic safety enterprise zone initiative.
- Continue seismic design initiatives to develop and transfer seismic safety for new buildings, existing hazardous buildings, single-family dwellings, new Federal buildings, and lifeline systems; continue development of a multi-hazard design handbook; continue to provide financial and technical assistance to all levels of government and the private sector in implementing earthquake hazards reduction measures; and continue development of the National Earthquake Educational Program.
- Initiate, continue or complete 15 hurricane population preparedness and property protection projects and complete 3 hurricane mitigation projects; and initiate efforts to provide financial assistance to the States to enhance public awareness through training and exercises on hurricane risk.
- Continue coordination of the Dam Safety program; provide funding to support hazard mitigation projects at the State and local level in each FEMA Region.
- Provide support to the interagency study of the Upper Mississippi River Basin.
- Complete 530 flood-risk restudies; initiate 235 flood insurance restudies; evaluate and resolve 4,844 official appeals or requests for revision or amendment of flood insurance maps; complete

digitizing an additional 3,500 Flood Insurance Rate Maps (FIRMs); print 6,000 maps and 507 study reports; and distribute 3,500,000 individual map panels.

- Develop a national mitigation strategy to institutionalize, at all levels of government, processes and economic inducements that foster mitigation decisions and actions.

- Support the Community Assistance Program, Community Compliance Program, and the Community Rating System (CRS); evaluate floodplain management programs of 4,000 communities; provide technical assistance to local officials, states and the others in the implementation of their floodplain management programs; and monitor community compliance and enforcement actions.

- Assist 400 communities in updating their floodplain management ordinances.

- Develop retrofitting strategies and projects for reducing flood damage to structures built prior to the NFIP.

- Purchase 94 properties at an average cost of $50,000.

- Conduct 60 workshops for building code officials on design and construction techniques for natural hazards.

- Develop technical guidance for communities on pre-disaster planning for reconstruction and redevelopment following a catastrophic natural event; and publish the 1994 Revisions to a Unified National Program for Floodplain Management.

- Complete Home Study Course on Floodplain Management for local officials; and initiate the development of a two-day field deployed course on Floodplain Management.

B. 1995 Program. In 1995, FEMA requests a total of $95,152,000 and 258 workyears for this activity, of which $18,066,000 is under Salaries and Expenses and $77,086,000 is under Emergency Management Planning and Assistance. This will allow FEMA to do the following:

- Execute FEMA's plan and coordinate NEHRP, initiate seismic safety enterprise zone projects, continue follow-up activities to the assessment of earthquake hazards reduction, and continue the study on indirect economic consequences of earthquakes. ($3,970,000)

- Initiate problem-focused studies, continue seismic and multi-hazard design initiatives to develop and transfer technology to enhance safety of new buildings, and lifelines; and provide increased financial and technical assistance to all levels of government and the private sector to implement earthquake and other natural hazards risk-reduction measures and mitigation procedures. ($16,658,000)

- Administer an enhanced hurricane program to provide financial and technical resources to State and local governments to improve studies of wind effects and evacuation and conduct post-storm analysis; develop and conduct training and public awareness activities; and continue to initiate property protection projects. ($7,934,000)

- Coordinate the National Dam Safety Program through leadership, technical assistance, and public awareness. ($432,000)

- Complete 324 flood-risk restudies and effect 229 flood insurance restudies; digitize an additional 3,500 FIRMs; evaluate and resolve 5,586 official appeals or requests for revisions or amendment of flood insurance maps; print or reprint 256 flood insurance study reports and 6,000 maps; distribute 3,500,000 flood map panels; and initiate coastal hazard studies and mapping for approximately 150 communities. ($37,102,000)

- Support the Community Assistance Program, Community Compliance Program, and the CRS; evaluate flood plain management programs of 4,000 communities; provide technical assistance to local officials and others in the implementation of their flood plain management programs; and monitor community compliance and enforcement actions; and assist 400 communities in updating their floodplain management ordinances. ($4,200,000)

- Develop strategies and projects for reducing flood damage to structures built prior to the NFIP; conduct 60 workshops for building code officials on design and reconstruction techniques for natural hazards; complete the two-day field deployed course on Flood Plain Management; complete development of a national design consensus standard for flood with American Society of Civil Engineers; and conduct building performance assessments and develop reports containing technical guidance and design recommendations for natural hazard events. ($2,070,000)

- Purchase 94 properties at an average cost of $50,000. ($4,720,000)

1995 Increases/Decreases. The 1995 request includes an increase of $10,038,000 under Emergency Management Planning and Assistance for the following:

-$6,038,000 to increase the emphasis on hurricane mitigation. These funds will enable FEMA to mitigate hurricane losses due to rapid growth of coastal county populations consisting of about 44 million people at risk along the coast from Texas to Maine over the last several decades. The infrastructure in these areas, particularly the roadway systems for access to the mainland from many of the barrier island communities, has not kept pace with this population growth. The result is that continually longer warning lead times are required to safely evacuate these areas in the event of a hurricane threat. Also current forecast abilities make it unlikely that warnings in every situation will be sufficient for safe evacuation. Up to date state-of-the-art hurricane evacuation studies are necessary in order to provide the best tools for State and local decision makers. In addition to this threat to life, considerable property is at risk, the value of insured property at risk in these same coastal counties (not including flood insurance) is now approaching $2 trillion.

-$1,500,000 to increase financial assistance to the States and develop and deliver programs of Earthquake awareness and technology transfer, focusing on mitigation strategies and regional services.

- $2,500,000 to implement a "seismic enterprise zone" strategy. The goal of this strategy will be to make the buildings and infrastructure of a community, over a period of time, a model of seismic safety. Seismic safety enterprise zones will be established in communities in high risk areas. A comprehensive plan, tailored to fit the economic, social and physical make-up of the community, will be designed to focus on the most vulnerable areas, thus achieving reduced loss of life and disaster outlays if a major disaster was to occur.

F. Outyear Implications. No outyear implications over the 1995 request.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
EXECUTIVE DIRECTION
(Dollars in Thousands)

	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Executive Direction (Budget Authority)..........	$1,557	$2,150	$1,242	$1,242	...

Changes from Original 1994 Estimates. Reflects decrease of $908,000 as part of a Congressional general reduction.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
EXECUTIVE DIRECTION
(Dollars in Thousands)

	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation					
11.1 Full–time permanent	...	...	...	...	...
11.3 Other than full–time permanent	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	...	...	...	...	...
Personnel Benefits					
12.1 Civilian personnel	...	...	...	...	...
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non–personnel Costs					
21.0 Travel and transportation of persons	...	...	...	...	...
22.0 Transportation of things	...	...	...	...	...
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0 Printing and reproduction	$910	$662	$662	$662	...
25.1 Consulting services	$300	...	...	...	...
25.2 Other services	...	1,488	555	580	$25
25.3 Purchases of goods and services from Government accounts	347	...	...	...	...
25.4 Operation of GOCOs	...	...	...	...	...
25.5 Research and development contracts	...	...	...	...	...
26.0 Supplies and materials	...	...	...	...	...
31.0 Equipment	...	...	...	...	...
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies, and contributions	...	...	25	...	(25)
42.0 Insurance claims and indemnities	...	...	...	...	...
43.0 Interest and dividends	...	...	...	...	...
Total Obligations	1,557	2,150	1,242	1,242	...

Executive Direction

A. Objective/Element Description. This activity provides support to the Director and senior agency executives through policy development, strategic planning, development of performance standards, studies and analysis, and financial management. In addition, this activity is responsible for delivering critical information to the public, the media and the emergency management community regarding disaster response activities and awareness and preparedness measures.

B. 1993 Accomplishments. In 1993, FEMA used a total of $16,763,000 and 213 workyears for this activity, of which $15,206,000 was under Salaries and Expenses and $1,557,000 was under Emergency Management Planning and Assistance. These resources provided for the following:

- Improve Agency methods for getting prompt information to the public during emergencies;
- Provided video materials to television broadcasters for use in both preparedness messages and for emergency public instructions during disasters;
- Through the Family Protection program, produced print and video disaster preparedness materials for families and school children and conducted outreach programs with the American Red Cross (ARC) and other volunteer organizations across the country;
- Provided financial management systems support, through management information reports, software development, and systems evaluation;

C. Changes from the 1994 Estimate. Reflects a decrease of $908,000 as part of a Congressional general reduction.

D. 1994 Program. In 1994 FEMA is allocating a total of $17,610,000 and 241 workyears, of which $16,368,000 is under Salaries and Expenses and $1,242,000 is under Emergency Management Planning and Assistance. The following accomplishments are planned:

- Provide financial management systems support, and define user requirements for the development of the integrated financial management system;
- Provide oversight of Agency streamlining efforts and other requirements generated by the National Performance Review, such as laboratory efforts, customer surveys, performance standards and assessments,and intergovernmental grant consolidation and flexibility;
- Initiate a strategic planning process to meet requirements of the Government Performance and

Results Act;

- Perform studies and analyses to support decisionmaking on matters such as reducing FEMA operating costs and guidelines for agency contracting practices;
- Make operating improvements in disseminating emergency information to the public during disasters, concentrating on technological advances in communications and backup systems to cover channels disrupted by disasters;
- Upgrade emergency instructions and disaster preparedness information on the basis of lessons learned in the Mississippi Flood of 1993 and the Northridge/Los Angeles earthquake of January 1994;
- Actively pursue working partnerships in disaster preparedness with the Red Cross, other volunteer organizations, the private sector and State and local jurisdictions;

E. 1995 Program. In 1995, FEMA requests a total of $17,610,000 and 241 workyears for this activity, of which $16,368,000 is under Salaries and Expenses and $1,242,000 is under Emergency Management Planning and Assistance. These funds will support the following:

- Participation of Emergency Management State Directors in the development of FEMA policy through the auspices of the National Emergency Management Association (NEMA);
- Technical support for management studies and evaluations conducted by FEMA;
- Support to a financial systems development team in the implementation of an integrated Financial management system;
- Improve the reliability of systems for emergency dissemination of information to the public during disasters; and
- Strengthen and extend partnership arrangements with volunteer organizations, the private sector and States and local jurisdictions to achieve greater disaster preparedness at all levels.

1995 Increases/Decreases. None

F. Outyear Implications. No implications over the 1995 request.

OFFICE OF INSPECTOR GENERAL
Appropriation Language

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended [$4,350,000] $4,500,000.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

INSPECTOR GENERAL

Appropriation Overview

Public Law 100-504, enacted in 1988, created a statutory Inspector General (IG) within FEMA. Through a program of audits, investigations and inspections, the IG seeks to prevent and detect fraud and abuse and promote economy, efficiency and effectiveness in the Agency's programs and operations. Emphasis will be placed on the audit of FEMA financial management functions and internal audits that report on the performance of FEMA programs; the investigation of complex, high dollar cases; and the inspection of FEMA's technical and managerial operations. The law also imposes certain additional responsibilities: reviewing existing and proposed legislation and regulations relating to Agency programs and operations and submitting semi-annual reports to the Congress.

INSPECTOR GENERAL
(Dollars in Thousands)

Estimates by Office	1993 Actual WY	1993 Actual Amt.	1994 Request WY	1994 Request Amt.	1994 Current Estimate WY	1994 Current Estimate Amt.	1995 Request WY	1995 Request Amt.	Increase/ Decrease WY	Increase/ Decrease Amt.
Inspector General (Budget Authority)............	55	$3,973 1/	70	$4,800	70	$4,350	70	$4,500	...	$150
Budget Outlays................		3,561		4,720		4,679		4,477		-202
Permanent Workyears										
Headquarters	38		52		52		52		...	
Regions	17		18		18		18		...	
Total, Permanent............	55		70		70		70		...	
Total Workyears.................	55		70		70		70		...	

Changes from Original 1994 Estimates. Reflects a Congressional reduction of $450,000.

1/ Includes a transfer of $1,000,000 from the Salaries and Expenses appropriation.

INSPECTOR GENERAL
(Dollars in Thousands)

		1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation						
11.1	Full-time permanent	$2,929	$3,712	$3,339	$3,473	$134
11.3	Other than full-time permanent	142	...	...	...	...
11.5	Other personnel compensation	76	...	...	...	...
11.8	Special personal services payments	...	...	...	...	...
11.9	Total personnel compensation	3,147	3,712	3,339	3,473	134
Personnel Benefits						
12.1	Civilian personnel	530	586	578	594	134
12.2	Military personnel	...	...	...	...	...
13.0	Benefits for former personnel	...	...	...	...	...
Non-personnel Costs						
21.0	Travel and transportation of persons	181	270	350	350	...
22.0	Transportation of things	...	...	...	...	...
23.1	Rental payments to GSA	...	...	...	...	...
23.2	Rental payments to others	...	...	...	...	...
23.3	Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0	Printing and reproduction	3	...	3	3	...
25.1	Consulting services	1	160	7	7	...
25.2	Other services	99	37	43	43	...
25.3	Purchases of goods and services from Government accounts	...	...	...	...	...
25.4	Operation of GOCOs	...	...	...	...	...
25.5	Research and development contracts	...	...	...	...	...
26.0	Supplies and materials	12	15	10	10	...
31.0	Equipment	...	20	20	20	...
32.0	Land and structures	...	...	...	...	...
33.0	Investments and loans	...	...	...	...	...
41.0	Grants, subsidies, and contributions	...	...	...	...	...
42.0	Insurance claims and indemnities	...	...	...	...	...
43.0	Interest and dividends	...	...	...	...	...
Total Obligations		3,973	4,800	4,350	4,500	150

Inspector General

a. Objective/Office Description. The Office of Inspector General (IG) provides audit, inspection, and investigative support services covering FEMA's programs and operations. The objectives of the IG are to prevent and detect fraud and abuse and to improve economy and efficiency in the administration of FEMA programs and operations. Activities are planned and conducted in response to requirements of laws, regulations, and Congressional and Office of Management and Budget (OMB) directives; specific requests from the Director and other FEMA management officials; and allegations received from Agency employees and other sources.

b. 1993 Accomplishments. In 1993, FEMA used $3,973,000 and 55 workyears under the Office of Inspector General appropriation. Activities included the following:

- Issued 61 audit reports: 50 pertaining to recipients of FEMA funds and 11 pertaining to FEMA operations. Subject areas included the following: regulatory audits (i.e., those related to the Chief Financial Officers' Act, anti-lobbying, internal controls, and Superfund); National Flood Insurance Program; Emergency Food and Shelter Program; Comprehensive Cooperative Agreements; Disaster Assistance Program (Some of these audits were funded from the Disaster Relief Fund.); and financial management activities.

- Reviewed and processed 146 State and local government audit reports covering claims of about $400,000,000.

- Recovered $19.6 million and obtained commitments of FEMA management to recover another $8.8 million in response to audit reports.

- Published two inspection reports concerning use of FEMA's defense-related resources in disaster response and reasons for delay in processing public assistance following the Loma Prieta earthquake. Conducted one internal inquiry in response to the U.S. Office of Special Counsel.

- Opened 127 investigative cases and closed 95 cases, with 167 cases pending.

- Charged 32 individuals and convicted 36 of violations in connection with FEMA programs; obtained $575,000 in civil judgments; collected $112,000 in fines and restitutions ordered by the courts; and realized $3.4 million in administrative cost-savings and recoveries.

c. Changes from the 1994 Estimates. A decrease of $450,000 reflects a specific Congressional reduction.

d. 1994 Program. In 1994, FEMA is allocating $4,350,000 and 70 workyears under the Office of Inspector General appropriation. The IG will concentrate on eliminating the backlog of complex, high-dollar volume, external audits and investigative cases, and satisfying the IG's regulatory audit requirements. It is anticipated that approximately 36 external and 14 internal audits will be completed. Significant resources will be assigned to evaluating FEMA's process for closing out longstanding open disasters and response to future disasters. Audits are planned as required by the Chief Financial Officers' (CFO) Act and other legislative mandates. The remaining resources will be used to audit financial management functions, emergency management activities, flood and crime insurance activities, and disaster assistance grants. Inspections will be focused on high priority activities as identified in cooperation with Agency management and areas of vulnerability susceptible to systemic improvements.

e. 1995 Program. In 1995, FEMA requests $4,500,000 and 70 workyears under the Office of Inspector General appropriation. The IG plans to maintain the 1994 level of audit and investigation coverage, and work cooperatively with program managers to focus timely evaluation efforts on planned initiatives and potential or suspected problem areas. Emphasis will be placed on internal audits that report on the performance of FEMA programs, financial and information management functions, and FEMA's internal control systems. Audit focus will be broadened to emphasize audits of FEMA's management control systems. The objective will be to help improve these systems to ensure that they function efficiently and effectively. Resources will be used to conduct only the highest priority investigations. Activities will include the following:

- Package multiple prosecutions of individual assistance disaster fraud cases for maximum deterrent effect.
- Investigate the most sensitive and/or complex allegations that have potential for prosecution and large dollar recovery under criminal or civil law, and/or administrative action.
- Perform audits specifically required by laws, regulations and OMB guidance (including the expansion and improvements upon the requirements of the CFO Act); and conduct annual audit-related activities, such as providing input to semi-annual reports, maintaining the audit follow-up tracking system, reviewing and processing State and local government audit reports, controlling contract audits performed by Defense Contract Audit Agency (DCAA), and acting as liaison with other Federal agencies.

- Perform approximately 18 internal audits of the economy and efficiency of FEMA's programs and management evaluation systems.
- Perform approximately 36 audits of FEMA financial assistance awards made to State and local units of government.
- Inspect managerial and technical operations and conduct evaluations of program effectiveness.
- Review existing and proposed legislation and regulations relating to Agency programs and operations.

1995 Increases/Decreases. The 1995 request includes an increase of $150,000 for emphasizing audits and management control.

f. Outyear Implications. No outyear implications over the 1995 request.

DISASTER RELIEF
Appropriation Language

For necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), [$292,000,000] $320,000,000 to remain available until expended.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

DISASTER RELIEF FUND
Appropriation Overview

Under the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (P.L. 93-288 as amended), the President is authorized to provide Federal assistance to supplement the efforts and resources of State and local governments in response to major disasters and emergencies. Under Executive Order 12148, the Director of FEMA has been delegated the responsibility for administering the Disaster Assistance programs. The Act specifies two types of Presidential declarations that may be made upon a Governor's request: a major disaster or an emergency.

Major activities under the Disaster Assistance Program are:

> Disaster Assistance. When a major disaster or emergency is declared by the President, a Federal Coordinating Officer (FCO) is appointed to coordinate relief and recovery activities. A Disaster Field Office (DFO) is established from which the FCO manages the delivery of assistance during the period of intense activity immediately following a declaration. Permanent FEMA personnel from regional offices and headquarters, as well as temporary Disaster Assistance Employees (DAE's), provide staff support. DFO's typically remain open a few months. However, because of the extended nature of certain projects, processing can continue for several years on open disaster contracts. The ongoing project management burden continues unabated during periods of field response to subsequent disasters.
>
> Disaster assistance takes the form of Human Services (formerly known as Individual Assistance) which covers aid to families and individuals; Infrastructure (formerly Public Assistance) which supports the efforts of State and local governments to repair infrastructure damage; Hazard Mitigation which sponsors projects to diminish the effects of future disasters; and disaster management, such as DFO staff and automated data processing (ADP) support.
>
> Title II of the Act authorizes Disaster Preparedness Improvement Grants (DPIG) to help States develop better response capabilities.
>
> Loan Account. The Disaster Assistance Direct Loan Program Account provides loan subsidies, and administrative expenses needed to support the loan, and the Disaster Assistance Direct Loan Financing Account, financed through a Treasury Department revolving fund, covers the estimated cost of State share and community disaster loans obligated in 1992 and beyond. The loan liquidating account records all cash flows to and from FEMA for loans obligated prior to 1992.

In the five years since the amendment of the Stafford Act, FEMA has managed the Federal response to an unprecedented number of disasters, including hurricanes Hugo and Andrew, a major earthquake in San Francisco, the 1993 late winter storms, and intensive flooding in the Midwest. In these five years, FEMA received an average of 48 requests for assistance annually, and an average of 37 were granted. In 1993, FEMA received 49 requests for disaster assistance and addressed 39 presidential declarations of disaster, 5 fire suppression actions, and 18 snow emergencies with obligations of $2,553,904,000.

FEMA's total available obligational authority totalled $4,504,885,000 for 1993. (See DR-3 for a summary of the funding sources.) These monies funded FEMA's continuing efforts to redress the damage caused by the major disasters of prior years and to initiate rebuilding efforts in the flooded Midwest.

For 1994, FEMA has a total of $2,242,981,000 in obligational authority for 1994 disaster response activities. These funds will pay for the continuing costs of rebuilding from the major disasters of the last couple of years and work on new disasters. Should it be necessary, FEMA can also request the use of $408,000,000 in contingency funding that has already been set aside for FEMA. FEMA can request the use of these funds by sending Congress a budget request.

For 1995, FEMA requests an appropriation of $320,000,000 for disaster activities, an increase of $28 million. This requested amount is in accordance with the Dire Emergency Supplemental Appropriations Act, 1992, which stated that any amounts requested for disaster payments in excess of the lower of $320,000,000 or the President's budget request would be considered as emergency requirements.

Note: These budget estimates were developed before the January 17, 1994, Northridge Earthquake in California. The entire $408,000,000 in contingency funds has now been released and a supplemental reuest totalling $4,709,000,000 has been sent to Congress.

DISASTER RELIEF FUND
(Dollars in Thousands)

Estimates by Program Element	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
A. Disaster Relief....................	$292,000	$292,000	$292,000	$320,000	$ 28,000
B. Administrative Expenses.1/.........	95	...	...	...	...
Initial Budget Authority (BA)......	292,095	292,000	292,000	320,000	28,000
Supplemental Appropriation	1,735,000 2/	...	...	...	...
Total Disaster Relief (BA)........	2,027,095	292,000	292,000	320,000	28,000
Unobligated Balance Carried Forward.	2,585,004	...	1,950,981	725,981	-1,225,000
Transfer to DADLPA.3/...............	-10,169	...	...	...	...
Transfers to HUD....................	-183,000	...	...	...	...
Recovery of Prior Year Obligations..	85,955	...	...	...	...
Total, Obligation Authority.........	4,504,885	292,000	2,242,981	1,045,981	-1,197,000
Direct Obligations..................	2,553,904	687,004	1,517,000	950,000	-567,000
Budget Outlays					
Disaster Relief..................	2,276,216	1,338,886	2,023,873	1,456,417	-567,456
DADLPA...........................	7,858	95	5,279	2,513	-2,766

1/ After 1993, loan subsidy and administrative expenses are requested directly under the DADLPA.

2/ FEMA received a $2,000,000,000 supplemental of which $1,735,000,000 was immediately available. The remaining $265,000,000 can be accessed by sending a budget request to Congress. However, no further action by the Congress is necessary.

3/ Includes $95,000 in administrative expenses and $10,074,000 in loan subsidy carried over from 1992.

DISASTER RELIEF FUND
(Dollars in Thousands)

		1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation						
11.1	Full-time permanent	...	...	...	...	...
11.3	Other than full-time permanent	$36,573	$10,168	$22,481	$14,078	($8,403)
11.5	Other personnel compensation	19,706	...	12,113	7,586	(4,527)
11.8	Special personal services payments	...	...	...	...	...
11.9	Total personnel compensation	56,279	10,168	34,594	21,664	(12,930)
Personnel Benefits						
12.1	Civilian personnel	4,148	756	2,550	1,597	(953)
12.2	Military personnel	...	...	...	...	...
13.0	Benefits for former personnel	...	275	...	...	...
Non-personnel Costs						
21.0	Travel and transportation of persons	46,838	10,924	28,790	18,030	(10,760)
22.0	Transportation of things	1,601	687	984	616	(368)
23.1	Rental payments to GSA	558	...	343	215	(128)
23.2	Rental payments to others	12,429	...	7,640	4,784	(2,856)
23.3	Communications, utilities, and miscellaneous charges	12,745	4,397	7,834	4,906	(2,928)
24.0	Printing and reproduction	1,159	412	712	446	(266)
25.1	Consulting services	1,090	5,840	670	420	(250)
25.2	Other services	466,629	164,307	153,580	96,175	(57,405)
25.3	Purchases of goods and services from Government accounts	40,499	$25,000	24,897	15,591	(9,306)
25.4	Operation of GOCOs	...	...	...	...	...
25.5	Research and development contracts	236	100	145	91	(54)
26.0	Supplies and materials	5,234	2,061	3,217	2,015	(1,202)
31.0	Equipment	62,148	11,130	38,201	23,923	(14,278)
32.0	Land and structures	4	...	2	2	...
33.0	Investments and loans	...	...	...	...	...
41.0	Grants, subsidies, and contributions	1,842,307	450,947	1,212,841	759,525	(453,316)
42.0	Insurance claims and indemnities	...	...	...	...	...
43.0	Interest and dividends	...	...	...	...	...
Total Obligations		2,553,904	687,004	1,517,000	950,000	(567,000)

Disaster Assistance

A. Objective/Element Description. Assistance is provided and coordinated according to the functions outlined in the following sections.

1. Management and Coordination. Program support functions support the establishment and management of Disaster Field Offices (DFOs). This support includes overall coordination of logistics, communications, space, equipment, supplies, travel, staffing (includng use of Disaster Assistance Employees) and financial management of a disaster operation. Automated Disaster Assistance Management System (ADAMS) equipment acquisition, software development, and training and deployment costs are also reflected under this function.anagement. Automated Disaster Assistance Management System (ADAMS) equipment acquisition, software development, and training and deployment costs are also reflected under this function.

   The Disaster Relief Fund (DRF) is utilized to finance that portion of the National Teleregistration Center's (NTC) expenses that vary directly with disaster activity, (other expenses associated with the permanent National Teleregistration Center are paid from the Salaries and Expenses appropriation. This consists primarily of payroll expenses for Disaster Assistance Employees (DAEs) who comprise the bulk of the NTC work force when disasters occur, and for long distance telephone charges which reflect the number of disaster victims using the NTC's services. Management and Coordination funds also cover Preliminary Damage Assessment (PDA) costs and pre-deployment costs for potential disaster declarations.

   FEMA is authorized to provide two types of loans:

   a. State Share Loans. FEMA may lend to an eligible applicant or State the portion of assistance for which the applicant is responsible under cost-sharing provisions of the Stafford Act.

   b. Community Disaster Loans. Loans may be made to local governments that have suffered a substantial loss of tax and other revenues as a result of a major disaster, and have demonstrated a need for financial assistance in order to perform their governmental functions. Loans under the Community Disaster Loan Program were discontinued in 1991, but have been funded in fiscal years 1992 and 1993 due to the impact of Hurricanes Andrew and Iniki. No funds are being requested for Community Disaster Loans in 1995.

2. Human Services (HS) (formerly Individual Assistance). These resources support Disaster Housing Assistance (DHA) (formerly Temporary Housing Assistance), which may be provided for up to 18 months. DHA is 100% Federally funded, except for construction of mobile home group sites, which are 75% Federal/25% non-Federal (state, local, county, etc.) cost-shared. Funding covers minimal

repairs to residences, rental of available units, or use of FEMA-owned mobile homes. Individual Assistance resources also support Individual and Family Grants (IFG) at a maximum of $12,200 per applicant with 75% Federal/25% non-Federal cost sharing mandated in the Stafford Act. Disaster Unemployment Assistance (DUA), administered by the Department of Labor, covers workers not eligible for other State unemployment assistance programs. This makes sure that people made unemployed because of a disaster are able to maintain a certain level of support. Human Services also provides crisis counseling and legal services for low-income victims.

3. Infrastructure (formerly Public Assistance). Resources under Infrastructure support emergency measures to (a) save lives and protect public health, safety and property; and (b) supplement the efforts of State and local governments and eligible private non-profit organizations to repair or restore facilities damaged or destroyed. In a Presidentially- declared disaster or emergency, the primary form of assistance provided is infrastructure grants to States (generally administered as 75% Federal/25% State cost-sharing) for emergency protective measures and permanent repair of eligible facilities. Fire suppression assistance to States, and certain emergency assistance by the Department of Defense may be authorized by FEMA without a major disaster declaration by the President.

4. Mission Assignments. FEMA is authorized by the Stafford Act to "direct any Federal agency... to utilize its authority and the resources granted to it under Federal law (including personnel, equipment, supplies, facilities, and managerial, technical and advisory services) in support of State and local assistance efforts." Mission Assignments to other Federal agencies issued under this provision can support any relief program, but the majority support the public assistance programs. FEMA reimburses other Federal agencies for any expenses associated with supporting disaster relief efforts.

5. Disaster Preparedness Improvement Grants (DPIG). The DPIG program provides funding to States for improving, maintaining and updating State disaster assistance plans, and for related mitigation and operational preparedness activities. Annual grants may be made up to a maximum of $50,000 each from the Disaster Relief Fund on a 50% Federal/50% State matching basis.

6. Hazard Mitigation and Preparedness. The Hazard Mitigation Grant Program (HMGP) is authorized under Section 404 of the Stafford Act. The HMGP provides up to 75% Federal funding for cost-effective mitigation measures that are consistent with the mitigation plans required under Section 409 of the Stafford Act and the HMRAA. The total Federal mitigation contribution is limited to 15% of the estimated costs of all Infrastructure and Human Services grants and Mission Assignments. Specifically, this includes Infrastructure Grants and Mission Assignments, and Human Services IFG Grants, Disaster Assistance Housing, Disaster Unemployment Assistance, Crisis Counselling and Mission Assignments. The intent of this program is to reduce the risk of future damage, hardship,

loss, and suffering in any area affected by a major disaster and again to ultimately reduce the future need for Federal disaster assistance.

DISASTER RELIEF OBLIGATIONS BY ACTIVITY
(Dollars in Millions)

		1993 Actual	1994 Current Estimate	1995 Request
1.	Management and Coordination	$253	$143	$89
2.	Human Services, (formerly Individual Assistance, (IA))	610	345	216
3.	Infrastructure, (formerly Public Assistance (PA))	1,111	629	393
4.	Missions Assignments	553	319	196
5.	Disaster Preparedness Improvement Grants (DPIG)	3	2	1
6.	Hazard Mitigation (HM)	24	85*	55
	TOTAL	$2,554	$1,523	$950

*Spending on Hazard Mitigation projects is expected to rise due to the passage of the Hazard Mitigation and Relocation Assistance Act of 1993 which substantially raised the resources available for Hazard Mitigation projects from previous disasters are also expected to be obligated in 1994 and 1995.

B. 1993 Accomplishments. In 1993, FEMA obligated a total of $2,553,904,000 under the Disaster Relief Fund to continue the work of rebuilding from past disasters and to address major new challenges in the Midwest as the nation experienced another year of unusually severe disaster activity. The Response and Recovery activity continued to work to streamline Federal response efforts and strengthen disaster assistance accountability. The Agency established a new category of disaster workers to deal with the enormous amount of follow-up work associated with larger disaster relief and rebuilding efforts. These workers are hired under the new Special Disaster-Specific Assistance Temporary Employee Program (S-DATE).

C. 1994 Program. In 1994, FEMA estimates obligations of $1,523,000,000 under the Disaster Relief Fund primarily due to continuing rebuilding activities in the Midwest.

D. 1995 Program. In 1995, FEMA requests an appropriation of $320,000,000 for program delivery and support under the Disaster Relief Fund. Obligations are forecast to return to a more normal level of $950,000,000 in 1995.

E. 1995 Increase/Decrease. The 1995 request includes an decrease of $567,000,000 in anticipated obligations due to the projected return to a more average year of disaster activity following the extraordinary program demands in the last two years. Obligations for 1995 will remain slightly above those associated with an average year due to carryover program requirements from prior year declarations.

F. Outyear Implications. No outyear implications over the 1995 request.

The following two charts illustrate FEMA's funding levels in the recent past. The first chart shows FEMA's obligations and outlay expenditures over the last ten years, which shows that the nation has experienced a far higher level of disaster activity in the last five years. The greater scope of these disasters has, in turn, raised FEMA's estimates of how much Federal funding is required to meet relief and recovery responsibilities under the Stafford Act.

DISASTER RELIEF FUND
1984 - 1993 FUNDING AND OBLIGATIONS
(Dollars in Millions)

Fiscal Year	Appropriation	Supplemental Appropriation	Total Appropriation	Outlays	Obligations Nominal	Obligations 1993 $
1984	...	...	...	243	296	408
1985	100	...	100	192	319	419
1986	100	$250	350	335	498	632
1987	120	1/	120	219	246	302
1988	120	...	120	187	195	223
1989	100	1,108	1,208	140	139	157
1990	98	1,153	1,251	1,434	2,026	2,207
1991	...	...	...	552	392	410
1992	185	3,993	4,178	905	1,726	1,776
1993	292	2,027	2,027 2/	2,276	2,726	2,554
Subtotal (Last 5 Years)	675	7,989	8,664	5,307	6,835	7,104
Average (Last 5 Years)	135	1,598	1,733	1.061	1,367	1,421
TOTAL (Last 10 Years)	1,115	8,239	9,354	6,483	8,300	9,088
Average (Last 10 Years)	112	824	935	648	838	909

1/ In 1987, a supplemental appropriation of $57,000,000 restored funds after $45,000,000 was transferred to the Food and Shelter Program, $5,000,000 was transferred to the Veterans Administration, and $7,000,000 was lost to a Gramm-Rudman reduction.

2/ Of this amount, $183,000,000 was transferred to HUD during 1993, and a total of $12,916,000 was transferred to the Disaster Assistance Direct Loan Program Account for loan subsidies during 1992 and 1993.

In recent years, FEMA has responded to a particularly high number of disasters. The relief and recovery efforts from these disasters will continue several years, as States and localities need time to rebuild. This chart illustrates the status of FEMA's funding for the largest disasters.

LARGEST DISASTERS 1989 - 1993
DISASTER RELIEF FUND
(Dollars in Millions)

	Total Cost Projection	Obligated as of Nov 30	Unobligated Balance	Percent Obligated
Hurricane Hugo - Total	$1,585	$1,497	$88	94%
Virgin I.	(464)	(419)	(45)	(90%)
Puerto R.	(669)	(632)	(37)	(94%)
S. Carolina	(389)	(383)	(6)	(98%)
N. Carolina	(63)	(63)	...	(100%)
Loma Prieta Earthquake	690	547	143	79%
LA Civil Unrest	181	156	25	86%
Hurricane Andrew - Total	2,080	1,716	364	83%
Florida	(1,912)	(1,570)	(342)	(82%)
Louisiana	(168)	(146)	(22)	(87%)
Hurricane Omar	79	75	4	95%
Hurricane Iniki	330	267	63	81%
Midwest Floods - Total	1,057	625	432	59%
Minnesota 1/	(70)	(49)	(21)	(70%)
Wisconsin	(57)	(28)	(29)	(49%)
Missouri	(270)	(144)	(126)	(53%)
Iowa	(184)	(138)	(46)	(75%)
Illinois	(211)	(106)	(105)	(50%)
Nebraska	(58)	(46)	(12)	(79%)
South Dakota	(39)	(9)	(11)	(72%)
Kansas	(133)	(28)	(71)	(47%)
North Dakota	(35)	(24)	(11)	(69%)

1/ The projected obligations for the Midwest disasters have risen primarily due to the passage of the Hazard Mitigation and Relocations Assistance Act of 1993 which increased the resources available for Hazard Mitigation. Although this will increase the immediate expenditure of the Disaster Relief Fund, it should reduce vulnerability of Midwest and other communities to future flooding damage.

SPECIAL EXHIBIT
Bequests and Gifts (Disaster Relief)

A. Objective/Element Description. This trust fund permits FEMA to receive and spend money donated to the Federal Government for disaster assistance. Mrs. Cora Brown left the majority of her estate to the Federal Government for use in natural disasters. Although the authority is in Title VI of The Stafford Act, FEMA considers the Bequests and Gifts Fund a type of individual assistance. Highlights of the program are as follows:

- Since FEMA administers the program under the Stafford Act, assistance is limited to Presidentially-declared disasters.
- No application by a disaster victim is necessary. FEMA identifies potential recipients by obtaining information from the American Red Cross, Individual and Family Grant (State) agencies, and other sources within the normal framework of disaster operations.
- Any assistance provided from this fund will be identified as such to the recipient in order to distinguish it from appropriated funds.
- The normal requirements of disaster assistance also apply to the Bequests and Gifts Fund (e.g., flood insurance requirements, environmental assessments, etc.).
- Assistance is limited to those who cannot obtain aid from any other source or who have remaining needs after receipt of all available disaster assistance.

B. 1993 Accomplishments. In 1993, $7,000 was obligated from this fund.

C. Current Status of the Fund. Approximately $1,295,000 is currently available for obligation.

D. Level of Expenditures. Obligations projected for 1994 -- $30,000; for 1995 -- $30,000.

E. Possible Use of Funds. Relocation from hazardous areas; temporary housing-related costs; permanent housing and repair of real property; repair or replacement of personal property; community services to minority and handicapped disaster victims; and extraordinary medical costs.

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

[Funds provided to this account] For the cost of direct loans, $2,418,000, as authorized by section 319 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.): Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $25,000,000.

In addition, for administrative expenses to carry out the direct loan program, $95,000.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

Direct Loan Program
Overview

FEMA's loan program consists of two types of direct loans: (1) State Share. FEMA may lend or advance to an eligible applicant or State the portion of assistance for which the applicant is responsible under cost-sharing provisions of the Stafford Act. To be deemed eligible, the governor must demonstrate, where damage is overwhelming and severe, that the State is unable to assume its financial responsiblity to meet the cost-share due to one or both of the following conditions: (a) the State is responding to concurrent, multiple disasters/emergencies; and/or (b) the State has incurred extraordinary costs as a result of a particular disaster or emergency. Since implementation of the Stafford Act, FEMA has approved over $108 million in loans to States to support the non-Federal share of the Disaster Assistance Program. For 1992 and beyond, State Share loans are obligated from the Disaster Assistance Direct Loan Financing Account (DADLFA). (2) Community Disaster Loans (CDL). Loans may be authorized to local governments that have suffered a substantial loss of tax and other revenues as a result of a major disaster, and have demonstrated a need for financial assistance in order to perform their governmental functions. The loans, not to exceed 25 percent of the annual operating budget of that local government for the fiscal year in which the major disaster occurs, are made at the current Treasury rate for a term of five years. All or part of such loans may be canceled to the extent that revenues of the local government during the three post-disaster fiscal years are insufficient to meet the operating budget. Since 1992, FEMA has approved State Share and Community Disaster loans in excess of $70 million.

DISASTER ASSISTANCE DIRECT LOAN
(Dollars in Thousands)

	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation					
11.1 Full-time permanent	...	...	...	...	...
11.3 Other than full-time permanent	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	...	...	...	...	...
Personnel Benefits					
12.1 Civilian personnel	...	...	...	...	...
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-personnel Costs					
21.0 Travel and transportation of persons	...	...	...	...	...
22.0 Transportation of things	...	...	...	...	...
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0 Printing and reproduction	...	...	...	...	...
25.1 Consulting services	...	...	...	...	...
25.2 Other services	$95	...	$95	$95	...
25.3 Purchases of goods and services from Government accounts	...	...	...	...	...
25.4 Operation of GOCOs	...	...	...	...	...
25.5 Research and development contracts	...	...	...	...	...
26.0 Supplies and materials	...	...	...	...	...
31.0 Equipment	...	...	...	...	...
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies, and contributions	10,074 1/	...	...	2,418	$2,418
42.0 Insurance claims and indemnities	...	$95	...	...	...
43.0 Interest and dividends					
Total Obligations	10,169	95	95	2,513	2,418

1/ Carryover from 1992 supplemental.

1. Disaster Assistance Loan Liquidating Account

   A. Objective/Element Description. This budget account records all cash flows to and from FEMA for pre-1992 direct loans made by the State Share and Community Disaster loan programs.

   B. 1993 Accomplishments. In 1993, $7,100,000 was disbursed from this account, and $95,437,000 in principal and interest was received on loans obligated prior to 1992.

   C. Changes from Original 1994 Estimates. None.

   D. 1994 Program. Potential disbursements in the amount of $45,460,00 remain on loans obligated prior to 1992. FEMA will continue to process repayments of $80,315,000 in principal and interest.

   E. 1995 Program. This account will continue to liquidate pre-1992 loan obligations.

   F. Outyear Implications. No implications over the 1995 request.

2. Disaster Assistance Direct Loan Program Account

A. Objective/Element Description. The Disaster Assistance Direct Loan Program Account (DADLPA) is the budget account into which an appropriation to cover subsdidy cost of a direct loan is made and from which such cost is disbursed to the financing account. A separate amount for administrative expenses is also appropriated into the program account. FEMA's DADLPA supports both CDL and State Share loans.

Subsidy is the difference between the present value of cash inflows to the Government and the present value of the cash outflows (excluding administrative expenses). Administrative expenses consist of common overhead expenses associated with administering the loan program, e.g., loan servicing, cost of delinquent debt collection activities, write-off and close-out activites, and credit systems development and maintenance.

B. 1993 Accomplishments. In 1993, FEMA used $1047,157,000 carried over from a 1992 supplemental for subsidy for the CDL program, and $74,804 which was transferred to the Salaries and Expenses appropriation for administrative expenses.

C. Changes from Original 1994 Estimates. None.

D. 1994 Program. In 1994, FEMA is allocating $95,000 for administrative expenses. FEMA does not anticipate making any new CDL loans in 1994; therefore, no funding is requested for subsidy.

E. 1995 Program. In 1995, FEMA requests $99,000 for administrative expenses, and no funding for subsidy costs.

F. Outyear Implications. No implications over the 1995 request.

3. Disaster Assistance Direct Loan Financing Account.

A. Objective/Element Description. This non-budgetary account records all cash flows to and from FEMA resulting from CDL and State Share direct loans obligated in 1992 and beyond. This account holds balances, receives the subsidy cost payment from the program account (DADLPA), and includes all other cash flows resulting from post-1991 direct loans. The funds in this account are a means of financing and are not included in the budget totals.

B. 1993 Accomplishments. In 1993, the following activity occurred on (1) loans obligated in 1992 - $12,340,000 was disbursed, $105,892 was colleced in principal, and $72,163 was collected in interest; and (2) loans obligated in 1993 - $20,604,595 was disbursed, $280,876 was collected in principal, and $1,766 was collected in interest.

C. Changes from Original 1994 Estimates. None.

D. 1994 Program. In 1994, FEMA estimates total obligations of $35,900,000. This includes loans totaling $25,000,000 for State Share loans and $10,900,000 for interest on Treasury borrowing. FEMA does not anticipate making CDL loans in 1994.

E. 1995 Program. In 1995, FEMA requests $25,000,000 for State Share loans and $10,900,000 for interest on Treasury borrowing. FEMA does not anticipate making CDL loans in 1995.

F. Outyear Implications. No implications over the 1995 request.

EMERGENCY FOOD AND SHELTER
Appropriation Language

[There is hereby appropriated $130,000,000 to the Federal Emergency Management Agency to carry out an emergency food and shelter program pursuant to title III of Public Law 100-77, as amended: Provided, That total administrative costs shall not exceed three and one-half per centum of the total appropriation.]

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

EMERGENCY FOOD AND SHELTER
Appropriation Overview

The funding provided by this Appropriation is awarded to a National Board of voluntary organisations which FEMA chairs. This Board, in turn, is responsible for allocating awards to local jurisdictions, focusing on areas of greatest need. The Board was selected to provide expertise in the provision of social services and liaison with the non-profit provider community. By law FEMA chairs the Board which is composed of nominees from the Salvation Army; the Council of Jewish Federations, Inc.; Catholic Charities, USA; the American Red Cross; the National Council of Churches of Christ in the USA; and United Way of America. The program provides supplemental help to both private non-profit and governmental service providers. Eligible services under the program include food (both served meals and food bank or pantry services), mass shelter, short term other shelter (hotels/motels), rental assistance to prevent evictions, first month's rent for families and individuals leaving shelters for more stable housing, one month's utility payment to prevent shut-offs, and limited emergency rehabilitation work to bring mass care facilities up to code. The key element in the program is the involvement of the Local Boards at the city or county level. Local Boards are made up of affiliates of National Board members (with a local government official replacing FEMA) and other interested parties. These Local Boards assess community needs, advertise the availability of funds, set up a local application procedure, review applications, and, finally, make the crucial selections of which agencies to supplement and for what purpose. Their decisions result in an expanded capacity, at the local level, to feed and shelter the most vulnerable people in need.

EMERGENCY FOOD AND SHELTER
(Dollars in Thousands)

Estimates by Program	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Emergency Food and Shelter					
(Budget Authority)............	$128,992	$123,000	$130,000	...	-$130,000
Budget Outlays...............	128,992	123,000	130,004	...	-$130,004

Changes from Original 1994 Estimates. Reflects a Congressional increase of $7,000,000.

EMERGENCY FOOD AND SHELTER
(Dollars in Thousands)

		1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation						
11.1	Full-time permanent	...	...	...	...	...
11.3	Other than full-time permanent	...	...	...	...	...
11.5	Other personnel compensation	...	...	...	...	...
11.8	Special personal services payments	...	...	...	...	...
11.9	Total personnel compensation	...	...	...	...	...
Personnel Benefits						
12.1	Civilian personnel	...	...	...	...	...
12.2	Military personnel	...	...	...	...	...
13.0	Benefits for former personnel	...	...	...	...	...
Non-personnel Costs						
21.0	Travel and transportation of persons	...	...	...	...	...
22.0	Transportation of things	...	...	...	...	...
23.1	Rental payments to GSA	...	...	...	...	...
23.2	Rental payments to others	...	...	...	...	...
23.3	Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0	Printing and reproduction	...	...	...	...	...
25.1	Consulting services	...	...	...	...	...
25.2	Other services	...	...	...	...	...
25.3	Purchases of goods and services from Government accounts	...	...	...	...	...
25.4	Operation of GOCOs	...	...	...	...	...
25.5	Research and development contracts	...	...	...	...	...
26.0	Supplies and materials	...	...	...	...	...
31.0	Equipment	...	...	...	...	...
32.0	Land and structures	...	...	...	...	...
33.0	Investments and loans	...	...	...	...	...
41.0	Grants, subsidies, and contributions	$128,992	$123,000	$130,000	...	($130,000)
42.0	Insurance claims and indemnities	...	...	...	...	...
43.0	Interest and dividends	...	...	...	...	...
Total Obligations		128,992	123,000	130,000	...	(130,000)

Emergency Food and Shelter (EFS)

A. Objective/Element Description. The objective of this program is to distribute funds rapidly to local jurisdictions to supplement community efforts to provide emergency food and shelter services. The intent is to make the funds available to local boards of non-profit and governmental providers who can determine where the greatest problems are in their respective communities and how best to use these funds to alleviate those areas of greatest need.

The following criteria were used to determine an area's eligibility for funding in 1993:

- Jurisdictions, including a balance of counties, with more than 18,000 unemployed and a 6.1% unemployment rate;
- Jurisdictions, including a balance of counties, with 500 to 17,999 unemployed and an 8.7% unemployment rate; or,
- Jurisdictions, including a balance of counties, with 500 or more unemployed and an 11.7% rate of poverty.

Recognizing the limitations of the formula to judge acute need, the National Board also sets aside a percentage (8% in 1993) of the award for State Set-Aside (SSA) Committees. These committees allocate funds to jurisdictions with special needs that the formula and statistics may miss.

B. 1993 Accomplishments. In 1993, FEMA used $128,992,000 for this program and obligated that net amount to the National Board. During 1993, the disbursement process continued to accelerate with 49% of the recipient agencies using the Electronic Funds Transfer option that allows agencies to have funds transferred directly to their banks.

C. Changes from the 1994 Estimates. Reflects a Congressional increase of $7,000,000.

D. 1994 Program. In 1994, FEMA is allocating $130,000,000 to this program. The funds will be distributed to local jurisdictions in accordance with the established eligibility criteria to provide emergency food and shelter services.

E. 1995 Program. In 1995, the Department of Housing and Urban Development will administer this program as part of a consolidation of homeless programs.

1995 Increases/ Decreases. This proposed transfer results in a reduction of $130,000,000 in FEMA's total request for appropriations.

F. Outyear Implications. No outyear implications over the 1995 request.

NATIONAL FLOOD INSURANCE FUND
Appropriation Language

Of the funds available from the National Flood Insurance Fund for activities under the National Flood Insurance Act of 1968, and the Flood Disaster Protection Act of 1973, [$14,081,000] $14,359,000 shall be transferred as needed to the "Salaries and expenses" appropriation for administrative costs of the insurance and flood plain management programs and $48,092,000 shall be transferred as needed to the "Emergency management planning and assistance" appropriation for flood plain management activities, including $4,720,000 for expenses under section 1362 of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4103, 4127), which amount shall be available until September 30, [1995] 1996. In fiscal year [1994] 1995, no funds in excess of (1) $32,000,000 for operating expenses, (2) [$252,366,000] $253,641,000 for agents' commissions and taxes, and (3) [$3,500,000] $12,000,000 for interest on Treasury borrowings shall be available from the National Flood Insurance Fund without prior notice to the Committees on Appropriations.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

NATIONAL FLOOD INSURANCE FUND
Appropriation Overview

The National Flood Insurance Program (NFIP) provides a Federal program consisting of two components: flood mitigation and flood insurance operations. The insurance component enables property owners to buy flood insurance which is otherwise unavailable in the commercial market. As a loss mitigation tool and in return for the availability of insurance, communities agree to adopt and enforce flood plain management measures to protect lives and new construction from future flooding.

For decades, the national response to flood disasters was generally limited to flood control works and providing disaster relief to flood victims. This approach led to rising flood losses and rising Federal costs. To compound the problem, the public could not buy flood coverage from insurance companies, and building techniques to reduce flood damage to new construction were often overlooked.

The flood mitigation component of the NFIP focuses on hazard mitigation through programs that combine mapping, regulatory, and technical assistance efforts for the purpose of responding to known flood hazards and mitigating their effects through a comprehensive approach to the management of flood plains. The flood insurance mechanism enables people owning or renting property in the flood plain to insure against flood losses. By paying insurance rates which are, insofar as practical, related to the risk, there will be more enlightened management of the flood plains and a reduction in flood damage. This will reduce the need for relief due to flood disasters and will eliminate the cost to the general taxpayer for insurable flood damage.

In 1995, funding for Flood Mitigation and salaries and expenses for both Flood Mitigation and Flood Insurance Operations will be reimbursed from the National Flood Insurance Fund (NFIF). As authorized by the Omnibus Budget Reconciliation Act of 1990, all costs for these activities will be borne by flood insurance policyholders. Details for these activities may be found respectively under Emergency Management Planning and Assistance and Salaries and Expenses.

NATIONAL FLOOD INSURANCE FUND
(Dollars in Thousands)

Estimates by Fund	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
National Flood Insurance Fund (Budget Authority)..................	...*	...	$3,626	...	-$3,626
Budget Outlays........................	$475,412	-$22,654	$104,039	-$12,697	-$116,736

Changes from Original 1994 Estimates. Borrowing authority will be necessary in 1994 to cover increased outlays because flood losses incurred in 1993 will be paid in 1994.

* Difference between revenue and expenses was covered by unobligated balances in 1993 without using borrowing authority.

NATIONAL FLOOD INSURANCE FUND
(Dollars in Thousands)

		1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation						
11.1	Full-time permanent	$10,040	$10,800	$10,359	$10,574	$215
11.3	Other than full-time permanent	392	...	350	350	...
11.5	Other personnel compensation	223	...	200	200	...
11.8	Special personal services payments	...	...	...	...	...
11.9	Total personnel compensation	10,655	10,800	10,909	11,124	215
Personnel Benefits						
12.1	Civilian personnel	1,857	1,900	1,948	1,980	32
12.2	Military personnel	...	...	...	...	...
13.0	Benefits for former personnel	...	...	...	...	...
Non-personnel Costs						
21.0	Travel and transportation of persons	798	850	843	866	23
22.0	Transportation of things	4	...	...	...	...
23.1	Rental payments to GSA	...	...	...	...	...
23.2	Rental payments to others	...	...	...	...	...
23.3	Communications, utilities, and miscellaneous charges	808	...	...	...	...
24.0	Printing and reproduction	916	2,500	1,930	2,500	570
25.1	Consulting services	29,461	29,392	29,392	29,392	...
25.2	Other services	230,350	296,897	278,189	293,730	15,541
25.3	Purchases of goods and services from Government accounts	4,306	...	4,300	4,300	...
25.4	Operation of GOCOs	...	...	...	...	...
25.5	Research and development contracts	...	...	...	...	...
26.0	Supplies and materials	...	...	...	...	...
31.0	Equipment	160	...	...	...	...
32.0	Land and structures	331	...	...	...	...
33.0	Investments and loans	...	...	...	...	...
41.0	Grants, subsidies, and contributions	4,276	4,200	4,200	4,200	...
42.0	Insurance claims and indemnities	984,575	502,022	455,105	461,696	6,591
43.0	Interest and dividends	...	...	3,672	10,542	6,870
Total Obligations		1,268,497	848,561	790,488	820,330	29,842

National Flood Insurance Fund

A. Objective/Element Description. The National Flood Insurance Act of 1968, as amended, authorized providing flood insurance on a national basis by a joint program with the Federal Government and the private sector insurance industry. Until December 31, 1977, flood insurance was provided by a joint government/industry program. On January 1, 1978, the Federal Government assumed full responsibility for operating the program. FEMA established goals of making the National Flood Insurance Program (NFIP) self-supporting for the average loss year and re-involving the private sector in the NFIP. In 1983, the insurance industry became involved with the NFIP once again with the initiation of the Write-Your-Own program. Along with these efforts, rates may be adjusted periodically to more closely reflect the actual risk.

- Coverage. All existing buildings and their contents in communities where flood insurance is available, through either the Emergency or the Regular Program, are eligible for a first layer of coverage at subsidized premium rates. In Regular Program communities, a second layer of flood insurance coverage is available at actuarial rates on all properties, and full actuarial rates for both layers apply to all new construction and to substantial improvements located in special flood hazard areas. A new actuarial rating system for construction commencing on or after October 1, 1981, in coastal high hazard areas was introduced in 1981.

  Coverage is available for residential properties, business properties, churches, agricultural properties, properties occupied by private nonprofit organizations, and properties owned by local and State governments and agencies thereof. Only buildings and their contents are eligible for coverage.

- Subsidized Premium Rates. The National Flood Insurance Act provides for the establishment of "chargeable" or subsidized premium rates designed to encourage the sale of flood insurance at less than full actuarial levels. These rates were increased for the first time during 1982. The Flood Disaster Protection Act of 1973 provides that all flood insurance may be written at subsidized rates on construction in participating communities until December 31, 1974, or until the effective date of the initial Flood Insurance Rate Map (FIRM) with 100-year flood elevation data, whichever is later. Subsequent new construction and additional limits of coverage for existing construction are eligible for flood insurance only at actuarial rates.

  The following table shows the current subsidized premium rates available under the Emergency Program and first layer coverage under the Regular Program:

LIMITS OF COVERAGE AND SUBSIDIZED RATES
(Per Unit)

TYPE OF STRUCTURE	STRUCTURE COVERAGE	RATE a/	CONTENTS COVERAGE	RATE a/
Single-family residential.....	$35,000	$0.55	$10,000	$0.65
Hawaii, Alaska, Guam, U.S., Virgin Islands..............	50,000	0.55	...	...
All other residential.........	100,000	0.55	10,000	0.65
Hawaii, Alaska, Guam, U.S., Virgin Islands..............	150,000	0.55	...	...
All non-residential b/........	100,000	0.65	100,000	1.30

a/ Rates per $100 of coverage.
b/ Includes hotels and motels with occupancy of less than six months.

- Actuarial Rates. Studies and investigations of specific areas to determine flood risk are carried out in conjunction with several Federal agencies, including the U.S. Army Corps of Engineers, as well as State and local agencies, and private engineering firms. These studies establish risk zones and flood elevations which determine the appropriate actuarial rate to be charged. The full risk premium rates (i.e., actuarial rates), besides reflecting the expected annual damage, take into account all costs related to providing flood insurance.

  Some sparsely populated special flood hazard areas, however, as well as flood risk zones outside the special flood hazard areas, do not warrant detailed studies to determine elevations. In these areas, actuarial zone rates, which establish rates by building type and occupancy but not elevation, are used. As a result of simplification efforts in the 1980's, the rating of actuarial policies currently uses only 8 risk zones.

- Staffing. Administrative costs for flood mitigation and flood insurance operations of the NFIP are reimbursed from the NFIF to the Agency's Salaries and Expenses and Emergency Management Planning and Assistance appropriations. As authorized by the Omnibus Budget Reconciliation Act of 1990, these costs will be borne by the policyholders.

- Program Financing. The instrument through which the Federal government fulfills its financial responsibilities is the NFIF which is financed by premium income, appropriations, and Treasury borrowings. The Director is authorized to borrow $500 million from the Treasury with an additional

$500 million available with approval of the President and notification to Congress. In 1991, a $25 policyholder service fee, as authorized by the Omnibus Budget Reconciliation Act of 1990, was implemented to cover administrative and flood mitigation expenses. In 1994, actuarial rate adjustments and changes to compensate for inflation will effect a general rate increase of 5 percent. This will maintain the self-supporting status for the historical average loss year. Additionally, in order to reduce program subsidies, a rulemaking process will be initiated within FEMA to effect a 5 cent increase in subsidized rates at least by October 1, 1994. This will increase general rate levels by about 3 percent. The program will continue to collect a policyholder service fee to cover costs of flood mitigation and flood insurance operations activities. FEMA will continue to annually review program experience and, as necessary, adjust rates to maintain the NFIP's self-supporting status for the historical average loss year and maintain the soundness of the rates for actuarially rated policies.

NATIONAL FLOOD INSURANCE FUND
Financial Transactions
(Dollars in Thousands)

	CUMULATIVE 9/30/93	1993 Actual	1994 Estimate	1995 Estimate
Number of Policies in Force..................	2,725,111	2,725,111	2,806,864	2,891,070
Amount of Insurance in Force................	$254,350,854	$254,350,854	$269,840,678	$286,273,751
Revenue:				
Premium Income............................	6,555,473	677,262	724,689	774,657
Investment Income..........................	253,814	28,036	...	...
Administrative Collections 1/............	126,208	57,506	62,173	62,451
Total Revenue..........................	6,935,495	762,804	786,862	837,108
Expenses:				
Agents Commissions and Taxes.............	490,250	14,240	14,131	15,106
Operating Expenses.........................	514,554	27,708	32,000	32,000
Community Rating System Expenses.........	9,260	4,000	4,000	4,000
WYO Expense Allowance 2/..................	1,028,685	179,984	219,407	234,535
Total Underwriting Expenses............	2,042,749	225,932	269,538	285,641
Loss and Adjustment	5,412,911	984,575	455,105	461,696
Interest on Treasury Borrowing	209,487	...	3,672	10,542
Administrative Expenses..................	1,255,453	57,990	62,173	62,451
Total Insurance Expenses..............	8,920,600	1,268,497	790,488	820,330
Adjustment to Prior Years..................	207,534	...	...	...
Total Expenses..................	9,128,134	1,268,497	790,488	820,330
Budget Authority............................	-1,103,352	505,695 3/	3,626	-16,778
Cumulative Budget Authority (Net Federal Subsidy)..................	-1,103,352	-1,103,352	-1,106,978	-1,090,200
Cumulative Transfer Unobligated Balance....	-210,578	-210,578	-210,578	-210,578
Cumulative Appropriation....................	1,204,130	1,204,130	1,204,130	1,204,130
Unobligated Balance, End of Year...........	-109,800	-109,800	-113,426	-96,648

1/ Surcharge collected from policyholders to support Flood Plain Management and Salaries and Expenses as authorized by P.L. 101-508, the Omnibus Budget Reconciliation Act of 1990; and, fees for flood maps and agent and lender workshops.

2/ Represents funds retained by private insurance companies participating in the Write-Your-Own Program for writing and servicing flood insurance policies.

3/ Covered by unobligated balances without using borrowing authority.

B. 1993 Accomplishments. The Write-Your-Own Program, whereby private insurers write and service flood insurance policies under their own names on a non-risk bearing basis, entered its tenth full year of operation in 1993. This program also allows the NFIP to utilize these insurers' existing policy bases to increase market penetration. By the end of the fiscal year, over 96 companies will be actively writing in the program, with approximately 88% of the NFIP's policy base, representing over 2,406,000 policies. In addition, the following were accomplished:

- Completed an independent audit of the program's financial statements for the year 1992, including WYO operations, which resulted in an unqualified opinion by the accounting firm of Deloitte and Touche.
- Continued to charge a policyholder service fee and implement other rating changes.
- Conducted 240 agent and 294 lender workshops throughout the country to increase awareness of the NFIP.
- Conducted 3 sessions of a 4 1/2-day course on the CRS for 75 Federal, state, and local personnel.
- Conducted 3 sessions of a 4 1/2-day course on flood plain management for local officials.

C. Changes from the 1994 Estimates. Outlays have increased because flood losses incurred in 1993 will be paid in 1994.

D. 1994 Program. During 1994, the Federal Insurance Administration (FIA) will review all of its current user fees. A more equitable distribution of Federal Policy Fee charges will be instituted to avoid raising the Federal Policy Fee paid by individual policyholders above the current level of $25. In addition, FEMA will do the following:

- Complete an independent audit of the program's financial statements for the year 1993, including WYO operations.
- Continue to charge a policyholder service fee and implement other rating changes.
- Conduct 150 agent and 150 lender workshops throughout the country to increase awareness of the NFIP.
- Conduct 3 sessions of a 4 1/2-day course on the CRS for 75 Federal, state, and local personnel.
- Conduct 3 sessions of a 4 1/2-day course on flood plain management for local officials.

- Conduct 31 adjuster workshops throughout the country to help educate those independent adjusters handling flood claims; and by request, conduct claim workshops for WYO companies.

E. 1995 Program. FEMA will continue to service policyholders, utilizing the flood insurance operations component of the NFIP to further the goal of reducing flood damage. The program will be self-supporting for the historical average loss year. FEMA will review program experience and, as necessary, adjust rates to maintain the NFIP's self-supporting status for the historical average loss year and maintain the soundness of the rates for actuarially rated policies. Efforts at involving the private insurance industry more directly in the NFIP will continue. FEMA will also do the following:

- Complete an independent audit of the program's financial statements for the year 1994, including WYO operations.
- Continue to charge a policyholder service fee and implement other rating changes.
- Conduct 150 agent and 150 lender workshops throughout the country to increase awareness of the NFIP.
- Conduct 3 sessions of a 4 1/2-day course on the CRS for 75 Federal, state, and local personnel.
- Conduct 4 sessions of a 4 1/2-day course on flood plain management for local officials.
- Conduct 31 adjuster workshops throughout the country to help educate those independent adjusters handling flood claims; and by request, conduct claim workshops for WYO companies.

(Dollars in Thousands)

	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Policies in Force, End of Year:					
Number	2,725,111	2,743,216	2,806,864	2,891,070	84,206
Amount	$254,350,854	$261,192,568	$269,840,678	$286,273,751	$16,433,073
Flood Insurance Claims (amount)	984,574	502,022	455,105	461,696	6,591
Insurance Underwriting Expense.	225,932	284,366	269,538	285,641	16,103
Premium Income	677,262	789,689	724,689	774,657	49,968
Budget Authority	505,695*	...	3,626	...	-3,626
Budget Outlays	475,412	-22,654	104,039	-12,697	-116,736

* Covered by unobligated balances without using borrowing authority in 1993.

F. Outyear Implications. The program will continue to be self-supporting for the historical average loss year. Additionally, FEMA strongly recommends that the National Flood Insurance Program, which is authorized through September 30, 1995, be continued beyond that date.

NATIONAL INSURANCE DEVELOPMENT FUND

Appropriation Overview

The National Insurance Development Fund was established from the proceeds of the Riot Reinsurance Program, which was terminated by the Congress on November 30, 1983. It has also been used as the vehicle for the funding of the Federal Crime Insurance Program (FCIP), and it receives deposits from crime insurance premiums and other receipts.

The FCIP is a direct Federal program which offers insurance against financial loss from burglary and robbery. This insurance has been offered to homeowners, tenants, and business owners, at rates established without regard to risk, if protective devices have been installed on the property to be insured. Because of the general availability of insurance through the private sector, the problems this program was created to address are no longer of national proportions. Over 53 percent of the policies are in the State of New York.

The budget request assumes that the Crime Insurance Program, which is authorized through September 30, 1995, will not be continued beyond that date.

NATIONAL INSURANCE DEVELOPMENT FUND
(Dollars in Thousands)

Estimates by Program Element	1993 Actual WY	1993 Actual Amt.	1994 Request WY	1994 Request Amt.	1994 Current Estimate WY	1994 Current Estimate Amt.	1995 Request WY	1995 Request Amt.	Increase/ Decrease WY	Increase/ Decrease Amt.
A. Federal Crime Insurance...	6	...	6	...	6	...	6	...	...	...
B. Salaries and Expenses (Obligations)...........		($249)		($448)		(448)		(465)		$17
Budget Authority.........		2,120		642		2,234		2,516		282
Budget Outlays...........		112		659		2,211		2,459		248
Appropriation............		...		...		...		...		
Permanent Workyears										
Headquarters.............	6		6		6		6		...	
Regions..................	...		...		...		...		...	
Total, Permanent.......	6		6		6		6		...	
Total Workyears...............	6		6		6		6		...	

Changes from Original 1994 Estimates. The increase in budget authority and outlays reflects fewer policies and lower premiums than were originally anticipated.

NATIONAL INSURANCE DEVELOPMENT FUND
(Dollars in Thousands)

	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Personnel Compensation					
11.1 Full-time permanent	$374	$365	$376	$387	$11
11.3 Other than full-time permanent	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...
11.9 Total personnel compensation	374	365	376	387	11
Personnel Benefits					
12.1 Civilian personnel	48	63	52	58	6
12.2 Military personnel	...	...	...	...	...
13.0 Benefits for former personnel	...	...	...	...	...
Non-personnel Costs					
21.0 Travel and transportation of persons	7	20	20	20	...
22.0 Transportation of things	...	...	...	...	...
23.1 Rental payments to GSA	...	...	...	...	...
23.2 Rental payments to others	...	...	...	...	...
23.3 Communications, utilities, and miscellaneous charges	...	...	...	...	...
24.0 Printing and reproduction	...	...	...	...	...
25.1 Consulting services	...	...	...	...	...
25.2 Other services	2,225	1,898	2,203	2,182	(21)
25.3 Purchases of goods and services from Government accounts	...	...	...	...	...
25.4 Operation of GOCOs	...	...	...	...	...
25.5 Research and development contracts	...	...	...	...	...
26.0 Supplies and materials	...	...	...	...	...
31.0 Equipment	...	...	...	...	...
32.0 Land and structures	...	...	...	...	...
33.0 Investments and loans	...	...	...	...	...
41.0 Grants, subsidies, and contributions	...	...	...	...	...
42.0 Insurance claims and indemnities	4,581	4,801	3,762	3,521	(241)
43.0 Interest and dividends	48	378	484	632	148
Total Obligations	7,283	7,525	6,897	6,800	(97)

National Insurance Development Fund

A. Objective/Element Description. The President's National Advisory Panel on Insurance in Riot-Affected Areas, in its January 1968 report entitled, "Meeting the Insurance Crisis of Our Cities," pointed out that one important factor in the deterioration of inner-city areas was the unavailability of basic insurance coverages, including insurance against burglary and robbery. A study of the availability of crime insurance, conducted by the Federal Insurance Administration in 1970, concluded that there was a critical problem of availability of insurance in many areas. The Federal Crime Insurance Program (FCIP) became effective in August 1971.

- Review of Insurance Availability. Continuing reviews are conducted to determine whether crime insurance is available at "affordable" rates, either through the normal insurance market or through State action. Many states do not appear to have a crime insurance availability problem. A few States which do have availability problems have implemented programs of their own. While there is evidence that some insureds would experience difficulty in being placed in the private market, there are States which have developed crime insurance programs of their own. Under State legislation, both Michigan and New Jersey have created programs which have been in existence since the initiation of the Federal program. These programs represent one way of meeting the crime insurance availability problem. In addition, the States of Indiana and Wisconsin have less formal programs supervised by their Insurance Departments. Neither Indiana nor Michigan has been a FCIP State. Several Fair Access to Insurance Requirements (FAIR) Plans have followed the lead of Massachusetts in making limited amounts of crime insurance available through the offering of fire insurance policies. Rhode Island, Wisconsin, Michigan, Maryland, and Illinois have added such coverages. Additionally, Georgia's FAIR currently offers burglary and robbery coverage. In any event, the degree of the problem of crime insurance availability and/or affordability has not demonstrated that it is beyond the ability of the States or private insurers to develop means of addressing the situation.

- Selling and Servicing Insurance. Crime insurance is a direct Federal program in which the Federal Government assumes the risk-bearing function. The insurance is available through the Program's servicing contractor to businesses and residences in participating jurisdictions without regard to the actuarial risk, if protective devices have been installed.

- Jurisdictions Covered. The following table depicts the jurisdictions currently covered, the date of their entry into the program, and the policies currently in force:

Crime Insurance Policies By State
(As of December 31, 1993)

State	Date Of Entry	Residential	Commercial	Total
California	11/80	1,484	247	1,731
District of Columbia	8/71	29	25	54
Florida	2/74	1,614	202	1,816
Illinois	8/71	171	162	333
Kansas	4/73	211	7	218
Maryland	8/71	53	44	97
New Jersey	2/73	965	88	1,053
New York	8/71	7,061	1,833	8,894
Pennsylvania	8/71	1,255	182	1,437
Puerto Rico	6/78	407	64	471
Tennessee	7/93	51	11	62 *
Virgin Islands	10/78	538	18	556
TOTAL		13,839	2,883	16,722

* Rejoined the program on July 1, 1993.

B. 1993 Accomplishments. To reduce the program's burden on the taxpayer, FEMA implemented a 15% rate increase on commercial business, as authorized by Public Law 101-508, the Omnibus Budget Reconciliation Act of 1990.

- o As of December 1, 1992, the States of Alabama, Connecticut and Georgia withdrew from the program.

- o As of July 1, 1993, Tennessee rejoined the program.

C. Changes from the 1994 Estimates. The increase in budget authority and outlays reflects fewer policies and lower premiums than were originally anticipated.

D. 1994 Program. FEMA plans to raise premium rates 15% on commercial business as authorized by Public Law 101-508, the Omnibus Budget Reconciliation Act of 1990, in order to make the program more efficient and reduce the taxpayer subsidy. Additionally, the commercial coverage limits will be raised from $15,000 to $20,000 to generate more revenue and offset inflation.

E. 1995 Program. FEMA plans to raise premium rates 15% as authorized by Public Law 101-508, the Omnibus Budget Reconciliation Act of 1990, in order to make the program more efficient and reduce the taxpayer subsidy.

F. Outyear Implications. The estimates assume the program will be discontinued on September 30, 1995 when the current authorization expires.

The status of the National Insurance Development Fund is as follows:

(Dollars in Thousands)

	1993 Actual	1994 Request	1994 Current Estimate	1995 Request	Increase/ Decrease
Number of Policies Issued............	17,043	15,637	15,339	13,805	-1,534
Unobligated Fund Balance, Start of Year....................	$242,469	$241,747	$240,349	$238,115	-$2,234
Insurance Premiums...............	5,163	6,883	4,663	4,284	-379
Insurance Claims.................	-4,581	-4,801	-3,762	-3,521	241
Operating Expenses...............	-2,225	-1,898	-2,203	-2,182	21
Interest Expense.................	-48	-378	-484	-632	-148
Administrative Expenses..........	-429	-448	-448	-465	-17
TOTAL......................	-2,120	-642	-2,234	-2,516	-282
Unobligated Fund Balance, End of Year......................	240,349	241,105	238,115	235,599	-2,516
Cumulative Deficit...................	9,651	8,895	11,885	14,401	-2,516
Budget Outlays.......................	112	659	2,211	2,459	248

NATIONAL INSURANCE DEVELOPMENT FUND
(Dollars in Thousands)

	1993 Actual		1994 Request		1994 Current Estimate		1995 Request		Increase/ Decrease	
Estimates by Program Element	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.	WY	Amt.
B. Salaries and Expenses (Appropriation).........	6	...	6	...	6	...	6	...	...	...
Budget Authority.........		$429		$448		$448		$465		$17
Budget Outlays...........		429		448		448		465		17
Permanent Workyears										
Headquarters.............	6		6		6		6		...	
Regions..................	...		...		...		...		...	
Total, Permanent.......	6		6		6		6		...	
Total Workyears...............	6		6		6		6		...	

Changes from Original 1994 Estimates. None.

Salaries and Expenses

A. Objective/Element Description. This program provides the required administrative support for the Federal Crime Insurance Program.

B. 1993 Program. Accomplishments are detailed in the preceding narrative for the National Insurance Development Fund.

C. Changes from the 1994 Estimates. None.

D. 1994 Program. Accomplishments are detailed in the preceding narrative for the National Insurance Development Fund.

E. 1995 Program. Accomplishments are detailed in the preceding narrative for the National Insurance Development Fund.

1995 Increases/Decreases: The 1995 request includes an increase of $17,000 for increased costs of pay related items and goods and services.

F. Outyear Implications. The estimates assume termination of the program on September 30, 1995.

REIMBURSABLE ACCOUNTS

Overview

The Federal Emergency Management Agency receives sums from other Federal agency accounts that are authorized by law to be credited directly to specific appropriation and fund accounts. These amounts are deducted from the total obligations incurred and outlays, in determining net obligations and outlays for such accounts.

The Salaries and Expenses and Emergency Management Planning and Assistance appropriations each receive reimbursable funds from other agencies. The principle reimbursable funding sources for FEMA are the Department of Defense for the Chemical Stockpile Emergency Preparedness Program, and the Environmental Protection Agency for the activities authorized by the Comprehensive Environmental Response, Compensation and Liability Act.

A. Comprehensive Environmental Response, Compensation, and Liability Act

a. Objective/Element Description. The Agency's Superfund activities are authorized by the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended by the Superfund Amendments and Reauthorization Act of 1986 (SARA); and Executive Order 12580 and are supported through an agreement with the Environmental Protection Agency (EPA). The purpose of this program is to provide the Federal Emergency Management Agency (FEMA) with the necessary resources to support State and local governments' efforts to respond safely and expeditiously to releases of hazardous substances, to protect public health and safety, and to preserve the environment. FEMA's objectives are to assist the National Response Team and the Regional Response Teams (NRT/RRT's) in preparedness and training activities, and provide training courses and materials for Federal, State and local officials.

b. 1993 Accomplishments. In 1993, FEMA used a total of $857,000 for this program. Noteworthy accomplishments include the following:

- Emergency Response and Relocation. FEMA continued to implement and closeout on-going temporary and permanent relocation activities. This involved cost recovery documentation, record keeping, contract administration personnel, legal, budget, and financial services. In addition, FEMA provided support to EPA and NRT in the implementation of CERCLA relocations. ($60,000)

- Hazardous Materials Training. The Emergency Management Institute (EMI) curriculum enhanced preparedness levels for State and local responder and response-support organizations through a proven system of course development and delivery. This system included multiple-agency input, with contributions from State and local representatives during design, development, pilot testing and delivery. This approach achieved a marketable menu that met front-line requirements of local response organizations that would be mobilized for a Superfund or oil pollution release. In addition, this process involved extensive interagency coordination, thus assuring that training activities reflect national goals and objectives. Further, it ensured that consistent, predictable training products were available for hazardous materials (HAZMAT) responders nationwide. Training materials were reviewed by NRT agencies and State/local/private sector specialists prior to publication. Printed stocks were replenished on a regular basis to assure ready availability to local emergency management, fire service, law enforcement, public works, environmental, health, emergency medical, hospital, welfare and volunteer agencies. The EMI field training deployment structure was able to provide training directly to the local response audience in a timely, efficient, cost effective manner at a time when State and local government budgets were severely restrained.

Along with its on-going hazmat related training, the National Fire Academy (NFA) trained State, local, and Federal first responders and managers in an effort to improve the level of preparedness at the local level throughout the Nation. This included law enforcement and fire service, both volunteer and career. First responders were always involved in hazardous materials incidents at the local level and it was imperative that they be trained in necessary response skills to enhance preparedness for Superfund response. The National Fire Academy ran both resident and field programs. These programs consisted of courses developed by experts convened at the National Emergency Training Center from the State and local level, and were delivered in residence at Emmitsburg or through the field delivery system of NFA. ($60,000)

- Emergency Preparedness. FEMA provided support to the State and local governments and the private sector in the development and implementation of planning guidance and technological developments that will improve their preparedness capability for response to hazardous materials emergencies. FEMA participated on the NRT/RRTs to ensure coordination of all aspects of hazardous materials emergency management. When requested under the provisions of the National Contingency Plan, FEMA provided technical assistance to the on-scene coordinator (OSC) and remedial project manager. FEMA participated in the 1993 NRT/RRT Co-chairs meeting; printed the Hazardous Materials Emergency Planning guide (NRT-1), Criteria for Review of Hazardous Materials Emergency Plans handbook (NRT-1A) and the NRT brochure and newsletter; supported the NRT/RRT in the development and implementation of the annual preparedness and response workplans; conducted hazards analysis workshops on EPA's Computer-Assisted Management of Emergency Operations (CAMEO) system; maintained and expanded the regional resource/lending libraries; supported hazardous materials/oil spill exercises; and, participated on the various committees of the NRT. ($737,000)

c. Changes in the 1994 Estimates. Congress directed EPA to fund this program in 1994 at the 1992 level of funds.

d. 1994 Program. In 1994, FEMA is allocating $1,824,000 to this program.

- Hazardous Materials Training. FEMA plans to coordinate with the NRT and RRTs, to maintain a hazardous materials curriculum which reflects the changing needs of Federal, State, and local users; identify and develop new training initiatives with other NRT agencies; deliver hazardous materials courses designed to assist public officials, emergency planners, and first responders, as well as private industry, in meeting Federal requirements; continue the Hazardous Materials Train-the-Trainer program to update and maintain the qualification of previously trained instructors; support the NRT and RRT training programs and committees, and other NRT agency training programs; and promote and support the NRT Training Committee's interagency role for curriculum coordination. ($502,000)

- Emergency Preparedness. FEMA will provide assistance to the State and local governments and the private sector in the implementation of planning and preparedness guidance and technological developments that improve their preparedness capability for responding to hazardous materials emergencies; support the NRT/RRT in the development and implementation of the annual preparedness and response work plans; print and disseminate NRT guidance; support the OSC and remedial project manager; participate on the NRT/RRTs and various committees; support the RRT in the review of HAZMAT plans or annexes; maintain and expand regional resources and lending libraries; and, provide financial assistance in the development, implementation and evaluation of HAZMAT/oil spill planning and exercise initiatives.

  In addition, FEMA will conduct an assessment of the current hazardous materials program and provide recommendations on the needs and future scope of the program that will serve to enhance FEMA's role in support of the State and local governments and the private sector. ($1,322,000)

e. 1995 Program. In 1995, FEMA anticipates receiving $1,824,000 for this program.

- Hazardous Materials Training. FEMA will continue to pursue effective interagency programs of training in support of NRT initiatives for Federal, State, local, and private sector audiences. To meet this goal, objectives have been set to continue training needs assessment through the Training Committee of the NRT; maintain the current training curricula; develop new training materials; and revise/update existing courses to assure interagency-based training requirements are met under CERCLA. Specific programs include the following: strengthen RRT linkages for training programs; support the NRT's Training Committee role of coordination of interagency training missions under CERCLA; maintain existing interagency liaisons with other NRT training entities; coordinate FEMA's EENET satellite videocourses and videojournals as a mechanism for large-audience training, including production of video Workshops in Emergency Management packages for local distribution; and, maintain and improve course materials to reflect changing needs at the State and local level. ($502,000)

- Emergency Preparedness. Based on the assessment conducted in 1994, FEMA will implement a restructured HAZMAT program which will support the NRT/RRT infrastructure. FEMA will accomplish the following activities: develop guidance and/or standards to assist State and local governments in the integration of HAZMAT plans into all-hazards plans; provide leadership, expertise, and financial assistance in planning, training and exercise evaluation; maintain and expand the regional resources and lending libraries; provide technical and financial assistance in the conduct of hazards analyses and risk assessments; and provide technical and financial assistance in the development of a resource data base system; and, support NRT/RRT and supporting committees. ($1,322,000)

1995 Increase/Decrease. None.

f. Outyear Implications. No outyear implications over the 1995 request.

B. Chemical Stockpile Emergency Preparedness Program

a. Objective/Element Description. The Chemical Stockpile Emergency Preparedness Program (CSEPP) is a reimbursable program which deals with preparedness, planning, training, exercises and public information to provide maximum protection to the general public living in response zones around sites where the U.S. Army stockpiles unitary chemical warfare agents. The primary goal of the CSEPP program is to assist in emergency plans; alert and notification systems, communications, ADP, and Emergency Operating Centers; and conduct training, exercises, and public information and education activities.

b. 1993 Accomplishments. In 1993, FEMA used 35 workyears and $61,603,000 for this program of which $2,393,000 was under Salaries and Expenses and $59,210,000 was under Emergency Management Planning and Assistance. Primary accomplishments include: (1) developed and completed Maryland's public information kiosk; (2) installed the Calhoun County, Alabama, Alert and Notification system; (3) finalized all CSEPP emergency planning zones; (4) developed the CSEPP Master Plan and site-specific plans; (5) conducted three full-scale, and six direction and control exercises; (6) completed installation of integrated baseline ADP system or alternate systems at all CSEPP sites; (7) evaluated plans and assessed readiness capabilities against CSEPP standards; (8) issued seven planning standards; (9) implemented a training program for first responders and emergency planners; (10) and coordinated Department of the Army's and Center for Disease Control's training for medical personnel.

c. Changes from the 1994 Estimates. None.

d. 1994 Program. In 1994, FEMA anticipates an allocation of 28 workyears and $45,529,404 for this program. This funding includes $43,327,225 for Emergency Management Planning and Assistance and $2,202,179 for Salaries and Expenses. Funds are allocated to the States through FEMA's Comprehensive Cooperative Agreement (CCA) process. These resources are utilized to ensure that communities in close proximity to the stockpiles are provided maximum protection through building systems, revising plans, purchasing equipment, upgrading existing systems, and developing and implementing alert and notification systems (A&N); establishing Emergency Operating Centers (EOCs) and communications systems; developing and installing automated data processing systems; and re-exercising plans.

e. 1995 Program. In 1995, FEMA estimates funding of 28 workyears and $29,056,868 for this program. This funding includes $2,295,331 for Salaries and Expenses and $26,761,537 for Emergency Management Planning and Assistance. This will allow FEMA to do the following:

- Assist 10 States and 39 counties through FEMA's CCA process to ensure that communities continue to provide maximum protection by completing the purchase of equipment, upgrading existing systems and developing new systems of alert and notification, communications, ADP, and Emergency Operating Centers;
- Issue policy and procedural documents and other guidance which explain to the public and State and local governments the principles, operating procedures and responsibilities of the program;
- Integrate alert/notification, ADP, and communications systems;
- Distribute and install tone-alert radios in all residences in immediate response zones;
- Assist States in final revisions of emergency operations plans;
- Provide for adequate levels of staffing at State and county level for program maintenance; and
- Provide States and counties with funds for participation in direction/control exercises and four full-scale exercises.

1995 Increases/Decreases. Reflects a decrease of $16,472,536 due to a one-time purchase of equipment.

f. Outyear Implications. As CSEPP transitions into the readiness and maintenance phase, State projects and equipment acquisitions will systematize and integrate with emergency preparedness planning. States will establish detailed operations plans that utilize expected state-of-the-art systems to provide maximum protection for the populations within the established planning zones. Levels of funding less than requested will slow down the transition to the readiness and maintenance phase and will adversely impact the Department of the Army's schedule for demilitarization operations in general, and potentially the operations date of February 1995 for the Tooele Army Depot, specifically.

THURSDAY, APRIL 21, 1994.

SELECTIVE SERVICE SYSTEM

WITNESSES

G. HUNTINGTON BANISTER, ACTING DIRECTOR/EXECUTIVE DIRECTOR

LEWIS C. BRODSKY, ASSISTANT DIRECTOR FOR PUBLIC AFFAIRS, ACTING ASSISTANT DIRECTOR FOR CONGRESSIONAL AND INTERGOVERNMENTAL AFFAIRS

JOSEPH S. TROPEA, CONTROLLER

Mr. STOKES. The committee will come to order. At this time, I would like to welcome Mr. G. Huntington Banister, the Acting Director of the Selective Service System.

Mr. Banister, let me again thank you for the nice tour that we had of the Agency with you and your colleagues, and the opportunity I had to meet a number of your employees that day and to get a better understanding of the operations of this Agency.

So on behalf of both my staff and myself, I want to thank you again.

Mr. BANISTER. You are welcome, sir.

INTRODUCTION OF WITNESSES

Mr. STOKES. Thank you. At this time, please introduce your associates for the record, and after that, we will recognize you for your statement. Without objection, your entire statement will be placed in the record at this point, and then you may proceed in any way you would like.

Mr. BANISTER. Yes, sir, thank you very much.

To my left, sir, is Mr. Lew Brodsky. He is the Assistant Director for Public Affairs, and also our Acting Assistant Director for Congressional and Intergovernmental Affairs. And to my right is Joe Tropea, our Controller.

Sir, I do have some prepared remarks which I would like to submit for the record. I would like to say before I begin my statement, that I want to thank you, Mr. Chairman, for visiting our National Headquarters. You took the time to meet all of our employees. It was surely a real morale booster.

Mr. STOKES. Thank you.

OPENING REMARKS

Mr. BANISTER. I have been privileged to appear before this subcommittee many times in the past as the Controller of Selective Service. Today, the face you see is the same, but the title has changed and the responsibilities are greater.

Mr. Gambino resigned as the Director of the Selective Service on January 31, and until a new director is nominated and confirmed, the White House has placed its trust in me to serve as the Acting Director.

I pledge to do my best in this job, because I realize that my leadership, while temporary, comes at a critical period for the Selective Service System.

FISCAL YEAR 1995 BUDGET REQUEST

The Selective Service budget is smaller today, in real dollars, than it was in 1983, 11 years ago. We have eliminated the fat and trimmed to the bone, but I will still look for additional economies.

The $25 million appropriation for fiscal year 1994 was a 14 percent reduction from the President's request. The President's budget request for fiscal year 1995 is $23 million, which trims another 8 percent from the 1994 amount.

However, after ongoing and planned program and personnel reductions, it should be sufficient to enable the Agency to maintain readiness and mission capabilities at an acceptable level.

FISCAL YEAR 1994 CONGRESSIONAL BUDGET PROCESS

Last year's congressional budget process was painful and sobering for this Agency, but we appreciated the ultimate outcome in our favor. However, along with the funds for fiscal year 1994, came a sharp message from Congress. This Agency must undergo major changes in its organization and operations if it is to survive as a vital part of the national defense structure.

STAFF REDUCTIONS

That change is well under way. We have kept the House and the Senate Appropriations Subcommittees informed about our progress. You will recall that Selective Service commissioned an evaluation by the U.S. Army Force Integration Support Agency in late 1992. The goal was to identify areas for improvement.

As it turned out, many of USAFISA's observations and recommendations were sound, while some were controversial. However, the USAFISA findings are now being reviewed by the Department of Defense Inspector General in accordance with the fiscal year 1994 Senate Appropriations Committee report.

An inspection team was dispatched to Selective Service two months ago to review these findings. The on-site interviews were completed early this month and I expect the review to be completed sometime in May.

Many USAFISA recommendations, along with other improvements, have been and are being implemented. Everywhere you look, you can see significant changes at Selective Service. For example, sizable staff cuts and region headquarters consolidations were recommendations of USAFISA.

At the time of the study, the total number of authorized positions in Selective Service was 284 civilians and 21 active duty military. By the end of this fiscal year, I expect our civilian staffing level to be approximately 200, and our military staffing to be down to 13.

These reductions will result from attrition, a possible reduction in force at National Headquarters, and discontinued service retirements and separations as our six region headquarters are consolidated down to three.

As a result of receiving authority to use buyouts as incentives for early separations, I can report happily that fewer people than we had originally planned will be affected by a possible headquarter's RIF.

Along with the staffing changes, we are doing some organizational fine-tuning. Several management layers have been abolished with the work scaled down and absorbed into other areas. An Agency SES position was downgraded to GM 15, and three GM 15 positions were eliminated.

Our Data Management Center, near Chicago, which was operating with more than 100 employees less than two years ago, has scaled down to 77 employees today. We have also cut costs as a result of relocating the National Headquarters.

The General Services Administration required that we move to Rosslyn, Virginia, and we did so eagerly, because the new location is estimated to save us approximately $300,000 a year in annual rent.

OTHER CHANGES

Let me report progress on several other fronts.

The Health Care Personnel Delivery System, mandated by the Congress, is a comprehensive standby system which is now capable of providing health care professionals to the military within 42 days after receiving authorization and funding from the Congress.

The prototype system could also be cloned rapidly to register and conscript individuals with other critical skills that might be needed by the Armed Forces.

NATIONAL SERVICE

Also, we are exploring additional peacetime uses of the Selective Service infrastructure, experience, and capabilities. For example, we are planning a pilot project in support of the National Service Program.

We will be helping General Scott, who heads the National Civilian Community Corps, by providing his agency with mailing and computer services on a cost reimbursable basis.

URBAN AREA AWARENESS

Improving the registration rate of young men in urban areas remains a high priority for Selective Service. Given the value to minority youth of Federal benefits linked to the registration requirement, chiefly Federal student loans, job training and Federal jobs, reaching this audience is essential.

Since last year's hearings, we have employed minority communications consultants to evaluate materials developed in fiscal year 1993. We also contacted the NAACP and the Urban League and asked them to lend their expertise and assistance to our future public awareness efforts.

Additionally, working closely with the Small Business Administration, we identified several minority owned, 8–A qualified, advertising and public relations firms to work with us on urban area public awareness projects. We met recently with three firms and have initiated contract paperwork.

The firms are African-American and Latino managed and owned. We intend to keep the subcommittee fully informed about this work, and share with committee Members the research, concepts, and publicity materials developed under these contracts.

DEFENSE BARGAIN

I believe the Selective Service System remains one of the greatest defense bargains in America today. Its smaller full-time staff continues to enjoy the dedicated support and participation of hundreds of part-time National Guard and reserve officers, State directors, and 11,000 volunteer board members throughout the Nation.

Funding Selective Service equates to paying a reasonable insurance premium to provide our Nation with a hedge against the unknown. I believe we need to keep this inexpensive backup system, and remain prepared to conduct a draft with a high degree of fairness and equity, whether it be a conventional draft of untrained men, or a skill specific draft of doctors, nurses, and other health care professionals.

In summary, the Selective Service System is an agency which has been under a microscope for the better part of a year. I believe the deficiencies found are now being cured and the prognosis is good. The patient is being treated effectively, getting healthier, and should soon be in great shape.

There is no question in my mind that the dedicated managers and other employees with whom I work have taken the mandate for change very seriously. The changes under way, and the requirement to accomplish mandated missions within today's budget realities, have produced one of the most efficient independent Federal agencies to appear before this subcommittee. The agency has been the subject of many studies, reviews, surveys, and reports, and there are still key policy decisions pending.

Throughout this lengthy examination process, I have remained convinced that maintaining a viable and healthy Selective Service System continues to be in our Nation's best interest.

Mr. Chairman, this concludes my remarks, and I will be happy to answer any questions from the subcommittee.

Mr. STOKES. Thank you very much, Mr. Banister.

[The information follows:]

G. Huntington Banister

Acting Director
Selective Service System

G. Huntington Banister assumed the duties of Acting Director of Selective Service on February 1, 1994, having served as the Agency's Executive Director for one year. He leads an independent Federal agency comprised of approximately 240 full time employees, more than 700 part-time National Guard and Reserve Officers, and 11,000 community volunteer board members.

As Executive Director, Mr. Banister was responsible for the management of daily Agency operations. He joined the Selective Service System as Agency Controller in June, 1985. His responsibilities included the establishment of financial policy for current operations and mobilization planning and for the daily management of the Agency's financial resources.

Mr. Banister gained extensive financial management experience while serving over six years on active duty as a U.S. Army Finance Corps officer. He is a graduate of the Army's Command and General Staff College and the National Defense University's National Security Management Course. In September 1992, he retired as a Colonel in the Army Reserve. His last Reserve assignment was as a drilling mobilization augmentee in the Department of Defense's Office of the Inspector General. His Federal civilian service began in 1972 as a budget analyst for the Interstate Commerce Commission. From 1976-1979, he served as the budget officer for the Public Health Service's National Institute on Drug Abuse; and, from 1979-1985, he was the financial manager for the Commodity Futures Trading Commission.

Mr. Banister received a Bachelor of Engineering Science degree from The Johns Hopkins University in 1962 and an MBA in finance from The American University in 1976. In April 1987, he completed the Executive Excellence Program at the Federal Executive Institute in Charlottesville, Virginia.

He, his wife Linda, and their two daughters, Elizabeth and Caroline, reside in Springfield, Virginia.

February 1994

Lewis C. Brodsky

Assistant Director
The Selective Service System

Lew Brodsky is an Assistant Director of the Selective Service System at its National Headquarters in Washington. He serves as principal spokesman for the agency, and manages its communications and public awareness programs. His duties include management of public service advertising campaigns in print and broadcast media, and direct marketing programs aimed at America's youth. Since January 1993, Mr. Brodsky has also been serving as Assistant Director for Congressional and Intergovernmental Affairs. He joined the Selective Service staff in June 1986.

Just before his assignment to Selective Service, he was the Director of Public Affairs for the U.S. Army Reserve, a civilian position at the Pentagon he occupied for more than six years. There, he supervised the planning and execution of an Army Reserve national awareness publicity program, which included production of radio/TV materials, films, speakers' kits, publicity packages, exhibits and media tours; all designed to enhance public awareness and understanding of the USAR. He was also editor-in-chief of *Army Reserve Magazine*, the largest circulation, official military publication in the country. His work for the Army earned him two "Silver Anvil" trophies from the Public Relations Society of America.

Mr. Brodsky is active in the National Association of Government Communicators, having served as its coordinator for the prestigious "Gold Screen Awards Competition" in 1987 and 1988, vice president for administration in 1989, and national president in 1990.

Earlier in his federal career, Mr. Brodsky was the Information Director in Washington for three U.S. Department of Agriculture agencies: Agricultural Marketing Service, Federal Grain Inspection Service, and Office of Transportation.

As an Army Reserve officer for over 22 years, Mr. Brodsky has had numerous public affairs assignments, practicing military journalism and media relations on tours of duty throughout the U.S., the Netherlands, Federal Republic of Germany and South Korea.

Before moving to Washington in 1972, Mr. Brodsky, who is a native New Yorker, served as a faculty member of the Television Center, City University of New York, where he hosted, produced and directed several documentary programs aired on New York public television stations. He also spent two seasons as a production and editorial assistant with the News Department of the ABC TV Network, contributing to national television pool coverage of Gemini Space Flights 10 and 11, and the 1967 summit conference between President Johnson and Soviet Premier Kosygin in Glassboro, New Jersey.

Mr. Brodsky's undergraduate degree in Speech Arts is from Hofstra University, Hempstead, New York. He also earned a Master of Science degree in broadcasting from City University of New York.

He lives in Springfield, Virginia.

February 1994

Joseph S. Tropea

Controller
The Selective Service System

Joseph S. Tropea was appointed Controller of the Selective Service System in February 1994. Prior to assuming the duties, he served as the Agency's Budget Officer from July 1990. His current responsibilities include the establishment of financial policy for the operations and readiness planning and for the daily management of the Agency's financial resources.

Mr. Tropea's federal service began in 1974 as an accountant in the Office of the Secretary, Department of the Interior. In 1977, he became a budget analyst in the same organization. In early 1980, he transferred to the Consumer Products Safety Commission. From late 1980 to late 1982, he served as a senior budget analyst in the Office of the Secretary, Department of Health and Human Services. He returned to the Department of the Interior and spent the next eight years with various bureaus within Interior, including the Office of the Secretary, Bureau of Reclamation and the Bureau of Mines. His positions ranged from Chief, Reports and Reconciliation Branch, Office of the Secretary to Senior Budget Analyst with the Bureaus of Reclamation and Mines. Prior to his federal service, Mr. Tropea worked as a Recreation Specialist, Auditor and Tax Examiner for the D.C. Government from 1958 to 1974.

Mr. Tropea received his Bachelor of Commercial Science degree from Benjamin Franklin University in 1973 and an MBA in Financial Management in 1976.

He, his wife Mary Jane and two of their three sons, Mark and Matthew, live in Chevy Chase, Maryland. Their oldest son Michael, a first lieutenant in the U.S. Army, and his wife Jansyn are stationed in Pisa, Italy. Their daughter Janet is a teacher in Raleigh, North Carolina

April 1994

Statement of G. Huntington Banister
Acting Director, Selective Service System

Thank you Mr. Chairman.

It has been my privilege to appear before this Committee many times in the past as the Controller of the Selective Service System. Today, the face you see is the same, but the title has changed and the responsibilities are greater. Mr. Gambino resigned as Director of Selective Service effective last January 31, after three years in the position. Until a new Director is nominated and confirmed, the White House has placed its trust in me to serve as Acting Director. I pledge to you that I will do my best in this job, because I realize that my leadership, albeit temporary, comes at a critical period for the Selective Service System.

Mr. Chairman, I would like to thank you again for having taken time to visit our Headquarters. Your special effort to meet every employee provided a real morale boost. I hope you were able to observe that this small Federal Agency is going through a metamorphosis. This is understandable, because whenever any organization comes close to disappearing, its survival often results in radical changes for the good.

A Time of Radical Change

Last year's Congressional budget process was painful and sobering for this Agency. Going in, we clearly understood that it would not be business as usual for any Federal agency, given the need to reduce the federal deficit. But frankly, we did not expect to be fighting for our very survival. We witnessed and learned from the debates in Congress which stretched over four months last summer and fall, and we appreciated the ultimate outcome in our favor. But along with the funding for FY 1994, came the message from Congress that this Agency must undergo major changes in its organization and operations if it was to survive as a vital part of our national defense structure.

Congressional Actions in 1993 Precipitate Agency Improvements

The Congress determined that Selective Service should remain viable during FY 1994. The $25 million appropriation which was approved was a 14 percent reduction from the President's request but, after program and personnel reductions, it will be sufficient to continue Agency operations while maintaining readiness and mission capabilities. The President's budget request for FY 1995 is $23 million which trims another eight percent from the 1994 amount.

It was clear from last year's Subcommittee hearings and later floor debates that the status of this Agency would require re-evaluation during FY 1994, that staffing levels and workloads would need adjustment, that morale and other personnel management issues must show improvement, and that further economies were expected. I can report that all of these things are progressing quickly.

We have advised the House and Senate Appropriations Subcommittees monthly about our progress in implementing many of the recommendations contained in the study done by the U.S. Army Force Integration Support Agency (USAFISA). That critical study was commissioned by Selective Service in late 1992 for the purpose of obtaining an outside evaluation of the Agency's structure and workload, and to identify areas for improvement. The USAFISA team recommended profound changes in staffing levels and some reorganization of workloads. The study received a great deal of attention, and was viewed by some as a possible blueprint for change. Although some of the recommendations were a little off the mark, many are being implemented. Significant change at Selective Service is everywhere you look.

At the time of the USAFISA study in late 1992, the total number of authorized positions in Selective Service included 284 civilians and 21 active duty military. By the end of FY 1994, I expect that our civilian staffing level will be approximately 200 positions and our military level down to 13. These reductions will be the result of attrition, hiring freezes, a reduction-in-force (RIF) at National Headquarters and consolidation of Region Headquarters from the current six to three. The consolidation of our Region Headquarters was a recommendation of USAFISA.

Specific plans for reductions at Headquarters have been under development for some time now, and employees were informed in June of last year that a reduction-in-force was likely. Since that time, they have received updated information on a regular basis regarding the status of the Agency mission and budget. We have also provided information on all aspects of RIF. In addition, we made available job information on the local networks and developed agreements with larger agencies to use skill clinics and learning centers.

As a result of passage of the legislation authorizing voluntary separation incentive payments, we gave all Headquarters employees the opportunity to apply for a buyout. The primary criteria for approval of buyouts were cost savings and potential for minimizing the effects of a RIF. We are still in the early stages of this program, but I am pleased to note that several employees have indicated they will take buyouts, and the scope of the Headquarters RIF will be reduced accordingly.

Along with these sweeping personnel changes, we have also been doing a great deal of organizational fine tuning. I can cite several examples:

The Information Management Directorate was reorganized into three divisions, and the position of Associate Director, formerly in the Senior Executive Service, was downgraded to GM-15. A GM-15 position was eliminated. One division of this Directorate was abolished, and a newly formed division combined all system applications regardless of functional use or technical platform. The combination provides opportunities for the assigned employees to be exposed to all of the technical and functional environments at the Agency and enhances user support. Automation specialists are now formed into teams, as opposed to individuals with no cross-training or backup. It provides more flexibility to address changing technology and changing Agency needs and priorities. A second Information Management division provides responsibility for microcomputer, network, voice and telecommunications support. The remaining division is the Data Management Center (DMC) where the current organization was not changed, but where operations have been streamlined and administrative and analytical support functions reduced significantly. Operating with over 100 employees less than two years ago, the DMC staff has been scaled down to 77 employees.

The Operations Directorate was reorganized, and one GM-15 position eliminated, along with a structure which included several small branches. This reorganization was based upon the fact that many operational policies, programs, and plans development have been completed for currently prescribed missions. There are continuing operational requirements, and these include training, where more self-study instruction and material and computer-assisted courses will be used to conserve personnel and costs. The Readiness Division is designed to continue readiness planning, develop manpower requirements and assess Agency preparedness.

In addition to the major reorganizations above, four support positions have been combined into two, and three positions have been eliminated in the Resource Management Directorate. Also, the Headquarters' staff has been reviewed and downsizing is being accomplished where feasible. The Office of the General Counsel has been reduced to one position, with the elimination of a GM-15 attorney position. Secretarial support for this office is now provided on a shared basis. Mid-level and technician staff reductions have been implemented within the Office of the Controller. Of the positions in the Office of the Inspector General (IG), a decision was made to abolish one position and not to fill the position of Inspector General. The functions and responsibilities of the IG are being serviced by a part-time Reserve Officer who has the knowledge and experience required and who is available to all employees. This action eliminates the need for a full-time, senior graded civilian.

Department of Defense IG Review of USAFISA Report

In accordance with the Senate Appropriations Subcommittee's FY 1994 report, the DoD Inspector General dispatched an inspection team to Selective Service to verify the findings contained in the USAFISA report. The team began work in February and completed the on-site interviews in early April. A draft of the inspection report is expected to be completed and submitted to Selective Service for comment in early May. Subsequently, their final report will be provided to the Congress.

Headquarters Consolidation Is Improving Efficiency

A great deal of effort was expended earlier this fiscal year to cut costs and streamline operations by relocating and consolidating our National Headquarters. The General Services Administration required that we move from Georgetown and Alexandria to Rosslyn, Virginia, and we did so eagerly, because the new location is estimated to cost $300,000 less annually. The new National Headquarters facility has improved heating, ventilation, and air conditioning systems and better building services. It is completely accessible to the disabled and gives employees improved access to public transportation.

Information Technology Improvements

Selective Service continues to make improvements through automation and economies have resulted from changes in procedures at the Data Management Center. Technology has permitted us to convert letters to postcards, thus taking advantage of cheaper postage rates. On the average, a postcard is ten cents cheaper than letter postage. Also, computer programs have permitted us to change certain registration letters to a one panel postcard. Additionally, it is expected that significant savings could be realized by converting compliance letters to postcards. However, there are certain privacy issues that must first be addressed, but because 1.5 million of these letters are mailed each year, this idea is being actively explored.

During June 1993, enhancements were made to the interactive voice response (IVR) system which increased our telephone availability to the public at the Data Management Center. The IVR system is designed and programmed to provide automated response to routine inquiries requesting verification of registration and for general information requests. These enhancements free Registration Information Office employees to handle personally the more complex telephone inquiries.

The continuing need to reduce costs resulted in a decision to send acknowledgement cards only to new registrants, registrants who have made changes to their names and/or dates of birth, and registrants who specifically requested that correspondence be sent to them. These computer program processing changes resulted in reduced postage and processing costs. Previously, acknowledgments were mailed for all types of transaction updates.

Prior to last year, a third compliance letter was mailed to suspected non-registrants. However, strictly as a cost saving measure, the second compliance letter was revised to consolidate text with the third letter, indicating that Department of Justice referral would be made shortly after the second mailing. Consequently, the third letter was eliminated. Moreover, an analysis found that the percentage of mail returned as undeliverable on the initial and second compliance letters did not justify a second mailing to the undeliverable addresses and they were discontinued also.

To decrease costs while maintaining accurate registration file addresses, Selective Service implemented an initiative in June 1992 to reduce significantly the volume of verification postcards produced and mailed. Instead, a tape file of young men in prime age groups, including those with undeliverable addresses, was sent each quarter to a vendor licensed by the U.S. Postal Service. The records of registrants are matched against a data base containing all change of address notices filed by the public at post offices in the United States during the past 36 months. As matches against the file are processed, address updates are automatically applied. The program confirms the accuracy of more than two million registrants' records annually, thereby ensuring that draft eligible registrants can be reached if inductions are resumed.

During a follow-up review in 1993, we discovered that SSS could accomplish the same results with a single referral each year, thereby saving additional matching expenses. With the revised program, records will be referred for matching each December preceding the year in which the registrants reach their 20th birthday. This alternative is less costly and still provides the current addresses of men approaching their prime year of eligibility.

The Alternative Service Program System (ASPS) will provide for the placement of conscientious objectors into appropriate civilian work, in lieu of induction into military service. ASPS was developed in the early 1980s on the mainframe computer. The system is being redesigned and rewritten to move several of the processes to microcomputers to be located in the Alternative Service Offices (ASO) upon mobilization. The enhanced programs and procedures will improve ASO productivity through increased capabilities and simplification of procedures by automatically generating forms and letters and providing easy-to-use software.

Document storage and text retrieval technology for National and Regional Headquarters is being evaluated for potential productivity gains. The software provides indexes and key word searches for documents and files, which will be stored on CD-ROM. A software and hardware prototype system will be exercised to provide the basis for cost projection and implementation planning.

Small savings have accrued through the curtailment of employee training, with more reliance placed on on-the-job-training. Subscriptions to many technical magazines and books have been discontinued, along with membership in some technical user groups.

Other activities are underway as a follow-on to the USAFISA study:

1. Revisions and updates have been made to the Information Systems Standards Manual.

2. The internal process to manage and prioritize requests for computer support from the Information Management staff is being improved.

The Health Care Personnel Delivery System

The HCPDS combined examination and induction system and procedures are completed. They represent a capability to make first deliveries to the DoD for examination and induction by M + 42, assuming no material changes in the Agency's mission and timely statutory authorization and funding. After the call up of reservists and retirees and signing-up of new volunteers, the emergency HCPDS procedures could be used to augment the medical capabilities of the Armed Forces. If authorized by law, this prototype emergency-use system could also be rapidly cloned to register and conscript personnel possessing any other occupational skills which might become critically needed by the Armed Forces. Although some work remains in developing associated components and fine tuning the basic HCPDS emergency system, Selective Service is prepared to meet the health care personnel needs of the military in some future emergency.

Improving Urban Area Compliance

Improvement in the registration compliance of young men in selected urban areas is an initiative currently receiving high priority by the Agency. Given the nature and value to minority youth of Federal benefits linked to the registration requirement--Federal student loans, job training and Federal jobs--reaching this audience is essential. Following this guidance, we employed minority consultants to evaluate materials developed in FY 1993 prior to distributing them. We have also initiated contacts with the NAACP and the Urban League and asked them to lend expertise to future public awareness efforts. Mr. John Johnson, director of military affairs for the NAACP in Baltimore, has agreed to be a volunteer reviewer of materials we develop. Additionally, we are working closely with the Small Business Administration's offices in several cities and have identified minority-owned, 8-A-qualified advertising and public relations firms in Cleveland and the Washington, D.C. area to assist us with the Urban Area campaign. We have met with three firms and have initiated contracting paperwork to employ them on a variety of projects. These firms are African-American and Latino owned and managed. They will develop informational materials to increase registration awareness among African-American, Latino, and Asian-American young men in selected cities. We intend to keep the Subcommittee fully informed about this work, and share with the members the research and publicity concepts that are developed under these contracts.

Board Member Training Improvements

Technically, the Selective Service System continues to excel. Our grass roots team of nearly 11,000 volunteer Board Members receives training through a variety of low-cost and yet technologically innovative ways. In 1993, for the first time, they received an audio training tape, simulating important points in adjudicating registrant claims. The tape was made with the cooperation of the U.S. Air Force, which provided the "free" use of its audio recording equipment at the Pentagon. With the Selective Service staff serving as the "producers," aspiring actors and actresses from local area high schools, and again, logistical support from the Air Force, this project is being completed for essentially the base cost of buying the blank video cassettes.

Assessing the Future of the Selective Service System

Even with impressive reductions in costs and increases in operational efficiency, the basic question regarding the future of Selective Service remains. Is it a post-Cold War necessity and a valuable low cost, defense manpower insurance policy?

Much study has been, and is still being devoted to answering this question at the highest levels in the Executive Branch. First, the Defense Authorization Act for FY 1993 mandated that the Secretary of Defense, in consultation with the Director of Selective Service, prepare a report regarding the continuing requirement for peacetime registration and the possible effects of its suspension. The report was completed and sent to Congress by President Clinton on February 18, 1994. It recommends continuation of registration while the Administration evaluates tangible and intangible benefits and possible additional uses of Selective Service System resources. When addressing the question of keeping registration, DoD concluded that suspension of registration would not cause "irreparable damage to national security." The DoD recommendation was based on predictable military manpower scenarios which make it "highly unlikely that we will have to reinstate the draft in the foreseeable future." The DoD report acknowledged that scenarios could arise that have not been planned, and that there could be many broader, socio-political and intangible benefits of the registration program. Of course, unplanned scenarios do sometimes arise. In this regard, former Joint Chiefs Chairman General Colin Powell remarked just before his retirement that his biggest nightmare as Chairman was being awakened at 2 o'clock in the morning faced with a crisis that nobody had predicted. General Powell prayed that if such an event ever happened, he'd have the resources necessary to confront it.

A more complete analysis of the role of Selective Service is being conducted at the National Security Council (NSC). Chairing an interagency working group to examine all facets of the issue, the NSC staff began consideration of the issues in January 1994. The working group includes the NSC, OMB, DoD, SSS, National Service, and Cabinet Affairs membership. Several issue papers and possible options for Selective Service have been developed. Each will be analyzed for its impact on preparedness, degree of risk, and cost.

Still an Important Part of National Defense

It is my personal opinion that a Selective Service System which retains its high state of readiness, fairness, and equity, despite a reduced budget and downsized structure, remains one of the greatest defense bargains in America today.

Funding Selective Service equates to paying a reasonable insurance premium to provide our Nation with a hedge against the unknown. We keep a proven degree of defense manpower readiness as protection against any unpredictable contingency which may require more manpower than is currently available in the active, Guard and Reserve forces. I believe we need to keep this inexpensive back-up system, and remain prepared to conduct a draft with a high degree of fairness and equity. And thanks to Congressional foresight in mandating the program, the recently completed Health Care Personnel Delivery System, means this Agency, if authorized, is also prepared to provide doctors, nurses, medical technicians, and other trained personnel with special skills if they are needed in a crisis.

Accomplishing the Mission With Fewer Resources

The Selective Service System annual budget is smaller today, in real dollars, than it was in 1983, eleven years ago! I believe that we have already eliminated the fat and have trimmed to the bone, but I am still looking for new economies, and ways to prudently reduce costs.

Despite these reductions, we will continue to maintain an adequate degree of operational readiness and the highly successful registration program. The fact is, we have been able to maintain very high levels of registration compliance, exceeding 96 percent of all men ages 18 through 25, and 98 percent of draft eligible men 20 through 25. We are proud of a great track record achieved through hard work and the cooperation and understanding of America's young men.

A Tie to National Service

Mr. Donald Scott, Director of the Corporation for National and Community Service-National Civilian Community Corps (NCCC), accompanied by members of his staff, was provided a briefing and tour of the SSS Data Management Center on January 3, 1994. Ms. Freida Brockington, Operations Directorate and Mr. Norman Miller, Information Management Directorate, met with two staff members of the NCCC on January 13, 1994. There was a good exchange of information related to the needs of the NCCC and the services that SSS could provide.

As a result of this meeting and several subsequent telephone discussions, Selective Service drafted a Memorandum of Understanding (MOU) and forwarded it to Mr. Scott on February 7, 1994, for review by NCCC. On March 15, 1994, NCCC sent SSS several proposed changes to the draft MOU as recommended by their Procurement and Grants Division. Final approval of the MOU is currently pending SSS's approval of NCCC's recommendations.

It is important to note, however, that the utility of the Selective Service System to the National Service initiative is currently under review as part of the NSC working group process.

Summary

In summary, the Selective Service System is an Agency which has been under a microscope for the better part of a year. I believe those deficiencies which have been discovered are now being cured, and the prognosis is good. The patient is being treated effectively, getting healthier, and should soon be in great shape. There is no question in my mind that the dedicated managers and other employees with whom I work have taken the mandate for change very seriously. Understandably, morale is still rather low, especially with the impending RIF and Region Headquarters closings. Morale will improve as job stability and the long range outlook for Selective Service improve. The changes underway, and the continuing requirement to accomplish statutorily mandated missions within today's budget realities, have produced one of the most efficient of the independent Federal agencies to appear before this Subcommittee. This Agency has been the subject of many studies, reviews, surveys, and reports, and there are still key policy decisions pending. Throughout this lengthy process, I have remained convinced that maintaining a viable and healthy Selective Service System continues to be in our Nation's best interests.

Mr. Chairman, this completes my prepared remarks, and I will be happy to answer questions from the Subcommittee.

DOD–SSS REPORT ON THE REGISTRATION REQUIREMENT

Mr. STOKES. Mr. Banister, as you mentioned in your statement, this past February the President afforded Congress a report to review the continuing requirement for draft registration.

This report was requested as a result of Public Law 102–484, which directed the Secretary of Defense in consultation with the Director of the Selective Service System to prepare a report regarding continuation of peacetime draft registration.

Now, according to the report, termination of the registration requirement would pose no threat to force readiness or weaken our national security. Will you comment on this conclusion?

Mr. BANISTER. Yes, sir, I would be happy to. I believe that the maintenance of Selective Service is a very low cost insurance premium against the unknown. The Department of Defense has stated that they cannot foresee a contingency that would require a resumption of conscription.

However, I would like to quote from the former Chairman of the Joint Chiefs of Staff, General Colin Powell. He said, just before his retirement, that his worst nightmare was awakening at 2:00 o'clock in the morning and being faced with a contingency that nobody had planned for.

In my view, I do not expect a need for a resumption of conscription in the foreseeable future. But I believe it is very important to be prepared for the unknown. For example, I view the maintenance of Selective Service as being very similar to buying a term life insurance policy. Nobody buys term life insurance ever expecting to need it.

HIGH COMPLIANCE WITHOUT REGISTRATION

Mr. STOKES. Currently 97 percent of eligible American men are registered, about 14.4 million men, ages 18 through 25. Does this statistic suggest that if peacetime draft registration was eliminated, in the event of a national emergency, there would be a high percentage of eligible American men who would voluntarily sign up?

Mr. BANISTER. I believe, sir, that history shows that many men will voluntarily sign up. However, there are also many men who would not. And should there be a resumption of conscription, I think it is very important to maintain a fair and equitable system. For the more men that are registered, makes a future draft more fair and more equitable.

NATIONAL SERVICE

Mr. STOKES. In the report, Mr. Banister, it states that we should continue draft registration while other possible alternative uses are studied.

One alternative use for Selective Service is an association with the National Service. In your monthly statement to the subcommittee, dated February 8, 1994, you say the Selective Service will work with the Civilian Community Corps of the Corporation for National Community Service, and that a Memorandum of Understanding has been forwarded to the Corporation.

Would you explain to us the purpose of the MOU?

Mr. BANISTER. Yes, sir. The MOU is for the Selective Service System to provide mailing and computer services to General Scott's organization.

After the MOU had been forwarded to General Scott's staff, they returned it to us requesting that it be changed from a Memorandum of Understanding to an Interagency Agreement. We have made those modifications to the agreement, and right now the agreement is being reviewed by General Scott's staff.

I might add that all of the services that we will be providing to the National Service Program will be on a cost reimbursable basis, just as any Federal agency would provide another Federal agency with such services and seek reimbursement.

TRAINING BASE CAPACITY

Mr. STOKES. The report states that the services would not be able to promptly absorb a flood of inductees to their training bases. It also states that there are nearly 2 million individuals in selected reserve units and the individual ready reserve who would augment the active forces during the early periods of a war.

Furthermore, GAO reports on reserve and guard force performance during the Gulf War indicate that much more training than previously believed is required for bringing these forces up to speed in a national emergency. If such a long line at training bases for those persons already in the armed services did exist, what possible use would draftees serve during the critical early months of a war?

Mr. BANISTER. Sir, I believe that draftees could be very helpful in developing the training base capacities in the United States. I believe that is one way they could be used. Also, inductees could perform a number of stateside duties, with civilian acquired skills, prior to training and deployment; such as truck driving and construction.

But I might add that we estimate that should draft registration be terminated, that it could take almost a year or more to get the registrant data base up to a level which we believe would result in a fair and equitable draft. So there is some lead time which must be considered.

Mr. BRODSKY. I would add to that, Mr. Chairman.

Mr. STOKES. Sure, Mr. Brodsky.

Mr. BRODSKY. While there might be an insufficient training base to absorb large numbers of unskilled draftees needing training, one of the capabilities Selective Service maintains at the direction of Congress is the Health Care Personnel Delivery System.

And certainly, if there is a skill specific draft for doctors, nurses, medical technicians, or any other specific skill which the military may require in a crisis, then those individuals, so drafted, would need only minimum training. They would not pose any strain on the training base. They would require only the very simplest of military training, and could be employable immediately within the continental United States to perform for the military functions and skills that they already have acquired in civilian life.

Mr. STOKES. Thank you.

MOBILIZATION EXERCISE 1993

Mr. Banister, in March, 1993, Selective Service conducted a nationwide readiness test entitled MOBEX 1993. In the justification, which we have here, it states that during fiscal year 1994, national headquarters completed an evaluation of the effectiveness of the agency's readiness programs, and further developed the agency's concepts of future planning, training, and exercise activities.

Of course we also briefly discussed this subject during the hearing last year. In the 1993 MOBEX evaluation report, a 54 percent success rate in the transfer of registrant data files was realized.

In your view, if this had been a national emergency, would a 54 percent rate have been considered successful?

Mr. BANISTER. No, sir, it would not have been, but that is the reason we conduct the mobilization exercises. This is the first year that we had a system-wide, full-scale mobilization exercise which tested all aspects of the system.

In the data file transfer between the Area Offices and our Data Management Center, north of Chicago, we did find some problems. However, we have since made some improvements and we plan to have another exercise of the data file transfer system next month on May 15th.

Mr. STOKES. Each region provided feedback on MOBEX 1993. Of the six regions, Region 1 listed four major issues highlighting the MOBEX 1993 exercise plan.

One, many of the recruiting offices did not know about the MOBEX plan. Two, Region 1 was affected by bad weather constraints, and a number of board members felt it was too dangerous to venture out into the bad weather. Three, overcoming a host of unknown obstacles to having a successful file transfer test. And four, minor problems with the computer-aided training and operations, a CATO system.

What would be the consequence of these shortfalls for mobilization during a national emergency?

Mr. BANISTER. I think the consequences, sir, would be significant, with the possible exception of the weather. In that event, I believe that the participants or those required to show, would show. If a real crisis was at hand but if problems occurred with the automated file transfer system, two backup systems exist to transfer data from the area offices to the DMC—the overnight mailing of floppy disk or hard copy records.

Regarding some problems experienced with the automated file transfer, I should point out that Region 1 performed better than most of the other Regions in the file transfer test.

Also, the communications breakdown which we experienced with the U.S. Army Recruiting Command has been corrected. We now have a point of contact to make sure that all of the recruiting stations will be alerted in the event of another test. We have straightened out those problems, but as I mentioned earlier, sir, that is the reason we have these exercises, to uncover possible deficiencies in the system.

Mr. STOKES. So you are saying that you think you have taken all the steps requisite towards overcoming these types of shortcomings?

Mr. BANISTER. Yes, sir, I am.

ACCURACY OF THE ADDRESS DATA BASE

Mr. STOKES. While testing the readiness of Selective Service in the event of a national emergency, was the accuracy of the address data base tested?

Mr. BANISTER. Yes, sir, it was tested in fiscal year 1992. We had a statistics professor from the George Washington University verify the accuracy of our data.

I believe it is a little premature to retest the accuracy of the data because we would be looking at only one year of birth group. At the time of the fiscal year 1992 test we were looking at the entire universe of 18 through 25-year-old men.

We believe that the National Change of Address System, which we have incorporated as a method of address verification saves us a lot of money. It only costs us about $11,000 or $12,000 to run a complete verification of our data base, and it is quite accurate.

I believe that the tests we conducted in 1992 indicated well over 90 percent accuracy.

Mr. STOKES. How often do you test the data base?

Mr. BANISTER. As I said, sir, we did test it in 1992. I believe it's a little early to test again. But I expect that we would go back and test the data base again next year or maybe the year after.

Mr. STOKES. And if inaccuracies are detected in the data base, what form of follow-up is then conducted?

Mr. BANISTER. We would send a verification notification to the registrants whose addresses are in question.

REGION CONSOLIDATION

Mr. STOKES. Now, in your testimony you stated that the regional headquarters will be consolidated from the current six to three as of October, 1994.

Last year Mr. Gambino stated he thought it would be entirely too much span of control to reduce the region headquarters to three regions. Tell us what changes have occurred, if any, since last year, which would now make consolidation of the regional headquarters workable.

Mr. BANISTER. Well, sir, I believe, as Mr. Gambino did last year, that six regions is the optimum structure for mobilization. However, given the budget realities that we are now facing, and the fact that the DOD planning scenarios have definitely changed, I believe that we can manage quite capably with three regions, particularly in a peacetime mode. I believe that in peacetime we can manage quite capably with three regions.

Mr. STOKES. All right.

Mr. Torres, I yield to you.

IMPROVING URBAN AREA COMPLIANCE

Mr. TORRES. Thank you, Mr. Chairman. Thank you.

Good morning, Mr. Banister. I am happy that you and your associates are here. I was struck by your testimony here, especially page 6, where you are talking about improving the urban area compliance.

The opening paragraph talks about improvements in the registration compliance of young men in selected urban areas, specifically minority youth.

And my question to you is: Can you discuss the results of your urban area registration initiative, and describe how successful it has been in increasing the registration of inner-city youth?

Mr. BANISTER. Well, sir, we started focusing on the urban area registration issue about two years ago. We did research and sent mailings last year to the influencers of the youth in selected cities in the Northeast. We are right now——

Mr. TORRES. Only the Northeast?

Mr. BANISTER. It was a pilot program, sir.

Mr. TORRES. Okay.

Mr. BANISTER. The results of any program that we are now about to embark upon would be transportable to any city in the country. We are right now in the process of working with three minority firms to develop the materials toward that end.

Mr. TORRES. These are 8–A firms?

Mr. BANISTER. These are 8–A firms.

Mr. TORRES. Could you cite them?

Mr. BANISTER. I believe Lew Brodsky can provide them.

Mr. BRODSKY. I can cite them. Right now, although we have not contracted with these firms, we are working with Drew Dawn Enterprises in Washington, which is an African–American owned and operated firm.

We are also working with Lisboa Associates, Incorporated, in Washington, DC, a Latino, female-owned and operated firm. And we are similarly working with DAR Public Relations, Incorporated, of Beachwood, Ohio, a black female owned and operated firm.

BILINGUAL MATERIALS

Mr. TORRES. Very good. At last year's hearing, as I recall, representatives from your agency mentioned that in fiscal year 1993 bilingual materials would be used in five test cities of this campaign.

Do you plan to continue this effort on a widespread basis? How effective was that campaign?

Mr. BRODSKY. We developed and distributed bilingual materials. They were successful in conveying information about registration to some extent. But, like any awareness program, it is difficult to measure the "movement of the needle" over a short period of time.

I think we will have to wait a little longer to see what the overall impact might be, in that many of these products that were developed in 1993 were not distributed until fairly recently. It is still too early to tell.

We created ad slicks for Spanish language newspapers in the country. We also produced booklets and brochures in Spanish, as well as English, for the inner-city.

Soon, we will work with Lisboa Associates to determine what other materials need to be developed. And while the initial focus will be in a city where that company is comfortable working, namely here in Washington, DC, the idea is to develop materials which could be exportable to any city where we need to increase awareness of the registration requirement.

Mr. TORRES. Have you contemplated using any other languages besides English and Spanish?

Mr. BRODSKY. Right now, because of limited funding, sir, we can only go so far as to the variety of materials we can afford to develop. Certainly, if we had more resources, we would probably prepare Asian language materials.

But there are very many languages used among the Asian immigrant population. And the variety of materials required would be a little unwieldy to prepare given our current budget.

WORK FORCE PROFILE

Mr. TORRES. I looked through your tables and materials and I don't see, a graph of employment for the Agency.

How many employees do you have in the Agency total?

Mr. BANISTER. Right now we have on board about 215 employees.

Mr. TORRES. 215?

Mr. BANISTER. Yes, sir.

Mr. TORRES. What I am looking for is the diversity of your employment.

Mr. BANISTER. Yes, sir, we have a work force profile of the Agency. I will be happy to submit that for the record.

Mr. TORRES. Would you, sir?

Mr. BANISTER. Yes, sir.

[The information follows:]

Selective Service System - Workforce Profile
Permanent Employees
Thru 1st Quarter, FY 1994

Grade	American Indian		Asian or Pacific Islander		African American		Hispanic		White		Totals		Totals
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
SES & EX	-	-	-	-	-	-	-	-	1	-	1	-	1
GS-15	-	-	-	-	-	1	-	-	7	2	7	3	10
GS-14	-	-	1	-	-	-	-	-	7	7	8	7	15
GS-13	-	-	-	-	2	1	-	-	9	9	11	10	21
GS-12	-	-	-	1	1	4	-	-	5	6	6	11	17
GS-11	-	-	-	-	3	9	-	-	2	13	5	22	27
GS-10	-	-	-	-	-	-	-	-	-	1	-	1	1
GS-09	-	-	1	1	-	4	1	-	1	15	3	20	23
GS-08	-	-	-	-	-	-	-	-	-	4	-	4	4
GS-07	-	-	-	2	1	11	-	-	2	7	3	20	23
GS-06	-	-	-	1	2	8	-	1	4	14	6	24	30
GS-05	-	-	-	1	4	5	-	1	1	13	5	20	25
GS-04	-	-	-	-	-	5	-	2	2	6	2	13	15
GS-03	-	-	-	-	-	2	-	2	-	4	-	8	8
GS-02	-	-	-	-	-	-	-	-	-	-	-	-	-
WG	-	-	-	-	1	-	-	-	-	-	1	-	1
TOTAL	0	0	2	6	14	50	1	6	41	101	58	163	221

Mr. BANISTER. I would like to note that when it comes to the break out between men, women, African-Americans and Hispanics, I believe the Selective Service is way ahead of other Federal Government agencies.

For example, we have 74 percent women employed, the total Federal average is 43 percent. We have 30 percent African-American, and the Federal Government average is around 17 percent. We only have 3 percent Latinos right now, and the government average is a little over 5 percent. 3 percent Asian, Asian Pacific Islanders, and the government average is a little bit over, about 3.5 percent.

I think we have done very well for a very small agency in recruiting and maintaining a diverse mix of employees in the Agency.

Mr. TORRES. Well, it is commendable that your top figures with women and in other categories are surpassing Federal levels. I am not so sure I would agree on the other lower percentages that you have as compared to the Federal Government averages.

Last year you had 10 full-time Hispanics on staff. Has that increased this year?

Mr. BANISTER. I would have to provide that for the record, sir.

Mr. TORRES. Would you?

Mr. BANISTER. Yes, sir.

[The information follows:]

Full-time Hispanics employment through the first quarter of fiscal year 1994 is:
Total Number of Full-time Hispanics:
GS–3—2; GS–4—2; GS–5—1; GS–6—1; GS–9—1—Total 7.

Mr. TORRES. Mr. Chairman, I have no further questions. I yield back my time to you.

Mr. STOKES. Thank you, Mr. Torres.

RESERVE FORCE OFFICER REDUCTION

Mr. Banister, in your monthly report to the subcommittee, dated April 7th, 1994, significant changes under way in the Selective Service are highlighted. Reduction in force notices and the anticipation of having to incur all costs to cover any drill pay associated with the National Guard Bureau are two issues cited in the report.

What will be the impact of having to make additional cuts in the number of National Guard and reserve personnel assigned to Selective Service, as well as paid drills?

Mr. BANISTER. Well, sir, we are now looking at that issue in earnest. Given the notification from the National Guard Bureau that they did not believe that they would be able to help offset the cost of their military personnel assigned to the Selective Service next year, we are now studying the impact of reducing our Guard and reserve strength by approximately 100 officers.

I believe with that reduction, coupled with a reduction in paid drills, that we will be able to live within the $23 million budget with minimal impact on readiness.

HEALTH CARE PERSONNEL DELIVERY SYSTEM

Mr. STOKES. Listed in the justification on page 10, are plans for fiscal year 1995. With the exception of completing projects started in fiscal year 1994, the plan calls for action centered around the Health Care Personnel Delivery System.

As a result of focusing on the HCPDS in fiscal year 1995, will this program be in the same readiness state comparable to your ability to conduct conventional draft due to the peacetime registration?

Mr. BANISTER. Sir, the delivery of the health care personnel would not be in the same state as a conventional draft, because the Agency has not been directed by the Congress and the President to register such personnel.

Therefore, we believe that the delivery time for health care would be somewhat longer than for conventional draftees. Our activities in 1995 will focus primarily on a system which would call for a graduated military response to the needs of DOD.

In other words, we would be involved in the preinduction processing of such individuals next year. Right now, the system is at a state that in the event of an emergency, we could provide health care personnel to the Department of Defense.

FISCAL YEAR 1995 DEEP STANDBY

Mr. STOKES. Mr. Banister, last year Selective Service provided information for the record on the cost to place the Agency under deep standby.

We would ask you to provide for the record an estimate of the cost to place the Agency in such a state for the fiscal year 1995.

Mr. BANISTER. Happy to, sir.

[The information follows:]

"Deep Standby", as currently defined by the Agency, is a state in which peacetime registration, compliance, registration awareness, and the board member programs would be eliminated. The Data Management Center (DMC) located in Illinois would be closed. However, the registrant data base and the capability to respond to Congressional and public inquiries would be maintained at the National Headquarters, since Solomon-Thurmond legislation would continue. State Directors would be in a non-paid status.

The active workforce would be approximately 81 FTE and 10 active duty military. The Reserve Force would be decreased to a minimal requirement of approximately 500 officers being paid for 24 drills and 13 days of annual training each year.

In this state, the Agency estimates it would take a minimum of nine months to deliver the first untrained registrant to DOD. Currently, the Agency can deliver the first untrained registrant within 13 days. Moreover, the resumption of inductions from this posture would impact adversely the Agency's ability to conduct a fair and equitable draft in an emergency. The absence of a current and complete data base would penalize those who fulfilled their registration obligation in a timely manner by subjecting them to a call earlier than necessary if the data base were maintained as it is today.

Assuming the Agency is placed in "Deep Standby" on January 1, 1995, the additional cost is estimated to be $4.2 million. This amount is above the estimated $15.2 million annual cost of a steady state "Deep Standby" condition. Therefore, the Selective Service would need a fiscal year 1995 appropriation of $19.4 million to revert to "Deep Standby" effective January 1, 1995. The additional $4.2 million includes: $2.0 million to cover the additional operating costs of the Agency through the first quarter of fiscal year 1995; $1.6 million to cover the reduction-in-force, this includes estimates for severance pay, early retirements and unemployment compensation payments; and $0.6 million to cover closing of the DMC, transportation and warehouse costs.

The Agency recommends strongly the continuation of the volunteer board member program in "Deep Standby." There are approximately 11,000 board members located throughout the United States and its territories. Each board member is nominated by the Governor of the State and appointed by the President. The costs associated with the appointment and initial training of these board members have been incurred and are "sunk" costs. To continue this important program in "Deep Standby" an additional $0.5 million and four FTEs would be required for a total appropriation of $19.9 million in fiscal year 1995.

IMPROVING URBAN COMPLIANCE RATE

Mr. STOKES. During my recent visit to Selective Service, I was briefed on your efforts to improve urban area compliance. In your testimony you stated Selective Service has employed minority consultants to evaluate materials developed in fiscal year 1993 prior to distributing them.

You also mentioned that Selective Service is working closely with the Small Business Administration's office in several cities, and you have identified minority-owned 8–A qualified advertising public relations firms.

What is the status of the urban publicity materials presented to the committee last year during the hearing?

Mr. BANISTER. Yes, sir. Last year, you may recall that we had a billboard in Baltimore. We stopped the posting of the billboard, because some found its headline offensive.

We also had a poster which we pulled from all of our mailing materials after review by minority-owned advertising firms. The remaining materials were sent to the influencers in the inner cities, primarily mothers and community leaders.

Perhaps Lew could expand on this.

Mr. BRODSKY. As far as the research, Mr. Chairman, we had very reputable companies, firms, and individuals, review all of the materials that were produced, some of which had been distributed, some of which had not been distributed at that point.

The minority consultant firms made some recommendations. Their finding was that most of the materials that were contained in the products that we had produced were effective, but perhaps could have been more effective, had they been produced by minority firms.

They found that some of the materials might be offensive to some audiences and those were the materials that were removed and not distributed. The remaining materials, which were found to be suitable for the target audience in accomplishing the awareness that we sought in the urban areas, were distributed.

Mr. STOKES. I am pleased to know that you have taken that action because we had quite a lengthy discussion about it last year. I appreciate the way that you responded to it.

Mr. BANISTER. Thank you, sir.

Mr. TORRES. Would the Chairman yield on this?

Mr. STOKES. I certainly will.

Mr. TORRES. Mr. Stokes, thank you.

The billboard and others were removed because they were deemed offensive. I am not going to ask you what the content was. Obviously, they were offensive and you removed them, but probably at a cost, because you had already printed them. Putting up a billboard is no cheap undertaking, and of course there is the cost of the materials.

Is this the reason why you have sought out 8–A and minority-owned firms to provide you with the kind of consultation that you need, so that you won't commit these errors again?

Mr. BANISTER. That is precisely the reason, Mr. Torres. We thought we had done the right thing. In fact we were very proud of the materials that we had produced to try to reach the target audience.

But on advice of the Chair, we consulted with some minority firms and, as Mr. Brodsky pointed out, some of the materials could have been deemed offensive by some, so we removed that material.

PRODUCING NEW URBAN AWARENESS MATERIAL

Mr. BRODSKY. There is more than just a review ongoing now, sir. We are actually contracting with 8–A firms to produce new materials, not to review the older materials.

The contracting that we did last year was for a review of fiscal year 1993 materials by two minority contractors. Now, we are starting from scratch more or less. We are going to new firms, that we have not worked with before, that specialize in inner-city information campaigns.

And we are working closely with them to get their ideas, to determine what they feel might work best to communicate these messages about registration to the urban area audiences. It is going to be a learning process for us, frankly, and for them as well.

Whenever we deal with a new firm, they have to learn about us and we have to learn about them. But we will work together to develop these materials and share every step of the process with this committee.

Mr. TORRES. Thank you.

Thank the Chairman for yielding on this.

Mr. STOKES. Certainly, Mr. Torres.

ROLE OF TQM COORDINATOR IN DOWNSIZING

Mr. Banister, last year I asked a question regarding the Agency's poor morale, which the USAFISA study found. As a result of that finding, a TQM coordinator was hired.

You mentioned in your opening statement the Selective Service is experiencing a time of radical changes. What role has the TQM coordinator played in the downsizing process, in an effort to minimize the impact of the personnel changes on the remaining employees?

Mr. BANISTER. Well, sir, when we hired the TQM coordinator, we wanted him to take the lead in the establishment of a Quality Council which we implemented in the Agency, and also to be the trainer of other trainers throughout the organization.

Our coordinator has conducted training sessions for all of our TQM facilitators, which we have throughout the country in all of our offices.

We now have an actively functioning Quality Council in the agency, and we solicit participation at all levels of the Agency, at all grades. As far as the degree to which the coordinator himself has lessened the impact of the change that we are now experiencing, I really don't think he has had much involvement.

But I can say that I personally have been actively involved in trying to lessen any possible adverse impact upon our employees.

And I might add, Mr. Chairman, that given the buyouts that we have now received, coupled with attrition and the early retirement authority that we have gotten from OPM, I am now reevaluating the need for any reduction in force at the National Headquarters.

We were targeting approximately 14 positions for a reduction in force this year. Right now it looks as though the most that we may have to eliminate is five positions.

Unfortunately, they are filled by lower-graded employees, but budget permitting, and we are going to review it very closely, we may not have to undergo a reduction in force this year.

I might add, sir, that in many other Federal agencies, buyouts were offered only to the higher-grade employees.

We did a survey of all of our employees in the National Headquarters and after consultation with counsel and a review of the statute, we offered buyouts to every single employee, at all grade levels, at the National Headquarters. I believe it has been very effective.

Seventeen individuals had indicated a desire for a buyout, and of those, 16 have accepted.

Mr. BRODSKY. If I can add something as well.

Mr. STOKES. Mr. Brodsky.

Mr. BRODSKY. Regarding your specific question about the TQM coordinator: I am a charter member of the Quality Council. One of the things that the TQM coordinator taught us all, and that we think we are practicing, is the need for open communications at all levels throughout the Agency.

And I think this has been the case especially during these difficult and turbulent times for our personnel. And I for one am thankful to Mr. Banister and others who were involved in this process. I can tell you that there have been full and open communications with all employees, in the form of meetings with everybody, all hands meetings, and quite a bit of written information has been shared.

There is not any body in the Agency I know who is not fully involved and aware of all that has to transpire in terms of our personnel goals and actions.

PROMOTION FROM WITHIN AGENCY

Mr. STOKES. Now, in your testimony you stated that by the end of fiscal year 1994, you expect that the civilian staffing level will be approximately 200 positions. You were authorized 238. And the military level will be 13, down from 21.

Are there plans to promote from within as a result of positions being eliminated?

Mr. BANISTER. Well, sir, I expect that we will do some promoting based on the loss of staff, or hiring, if you will, for some of the vacant positions.

I am a firm believer in offering these positions, these vacancies, to the best qualified candidate. But I can tell you that the history of Selective Service has been that for the most part, we have promoted from within.

And I will make sure as long as I am in this position, that our employees will get the first opportunity to fill any vacant position.

MINORITY HIRING

Mr. STOKES. Okay. Last year you provided for the record the Selective Service System work force profile through the first quarter of fiscal year 1993.

You recently provided the staff with a copy of the same table with the information through the first quarter of fiscal year 1994. And of course you have already had some discussion this morning with Mr. Torres regarding this.

But I noticed that there had been no changes in minority employment for positions GS and GM 13s and above since last year's hearings.

Can you explain why these numbers have not changed?

Mr. BANISTER. Yes, sir. Throughout this last fiscal year, we have been in a downsizing mode. We have not recruited. We have had a hiring freeze. We have not filled positions.

As a matter of fact, we have been encouraging attrition and loss of staff to better right size the organization. And I would expect that once we level off and there is some stability in the organization, that we will actively be recruiting minorities and women for many of those vacancies.

You may recall that a year ago we stated that we had a program to look for minority applicants for our vacancies. But then in late 1992, we implemented the hiring freeze and therefore none of these positions were filled.

POSITION DETAILS

Mr. STOKES. What percentage of the permanent employees and positions, GS and GM 13 and above, are presently on temporary detail to those positions?

Mr. BANISTER. Right now the only person on a temporary detail is our Manager for Human Resources, who is in an acting capacity as the Associate Director of Resource Management. And she is a woman. I might add that, I am in an acting capacity also.

ELIMINATION OF NONESSENTIAL POSITIONS

Mr. STOKES. In keeping in line with USAFISA study, have all nonessential positions been eliminated?

Mr. BANISTER. Yes, sir. I can say that for the most part, that is true. The USAFISA report looked at all positions, whether encumbered or vacant.

We eliminated most of those positions which happened to be vacant at the time they did their study. Right now, after the dust settles from the buyouts and the early retirements, it looks as though there will be about five positions remaining which we may not need.

I will be looking very hard at being able to convert the incumbents of those positions to other positions through training, on-the-job and formal training.

Mr. STOKES. We are also going to ask you to provide for the record why the increase of $258,000 has been estimated in fiscal year 1995 for the benefits for former personnel and what items comprise your other services.

Mr. BANISTER. Yes, sir, I'd be happy to.

[The information follows:]

BENEFITS TO FORMER EMPLOYEES

This increase is estimated to cover the cost of severance pay and unemployment compensation for those employees affected by a possible reduction-in-force at the National Headquarters and the regional consolidations.

QUESTION SUBMITTED FOR THE RECORD BY THE COMMITTEE

Other Services

Question. What items comprise your other services?

Answer. Other services are comprised of the following items:

SELECTIVE SERVICE SYSTEM
OBJECT CLASS 25 - OTHER SERVICES
($000)

	FY 1993 Actual	FY 1994 Estimate	FY 1995 Estimate
Repairs, Alterations, Security	6	9	9
Equipment Maintenance	317	356	338
Employee Services	134	175	176
Security and EEO Investigations	22	38	39
Facility Operations (DMC & Regions)	416	500	455
Military Pension Accrual	1,007	841	754
US Postal Service	495	631[1]	650[2]
MEPCOM[3]	600	738	759
FEMA, DOI, GSA & Treasury[4]	260	236	243
SSA[5]	33	33	34
Public Awareness Contract	297	210	216
Employing Training	85	46	47
Miscellaneous	460	367	374
Total	4,132	4,180	4,094

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[1] Estimated registrations 650,000 @ $0.97.

[2] 650,000 registrations @ $1.00

[3] Joint computer center reimbursement costs

[4] Payroll/Personnel and Accounting/Budget

[5] Tape Matching Program

Mr. Stokes. At this point in the record, I also want to insert written testimony the committee has received from Congressman Pete Stark of California. Without objection, we will put it in the record at this point.

[The information follows:]

FORTNEY PETE STARK
THIRTEENTH DISTRICT, CALIFORNIA

COMMITTEES:
WAYS AND MEANS
DISTRICT OF COLUMBIA

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

STATEMENT OF CONGRESSMAN PETE STARK SUBMITTED TO THE SUBCOMMITTEE ON VA, HUD & INDEPENDENT AGENCIES

April 21, 1994

Mr. Chairman. Members of the Subcommittee:

Thank you for allowing me the opportuntiy to provide testimony today on proposed funding for the Selective Service System for FY95.

My elementary school teachers taught me that millions of years ago, dinosaurs roamed the planet until a giant meteor struck the earth and destroyed all the dinosaurs. After years of exposure to heat and pressure, the dinosaurs turned into a precious fuel -- oil.

Today we could be lucky enough to see a modern day version of this scenario. Who better to be cast in the role of the lead dinosaur than the Selective Service System? How about letting a reduction in federal spending play the meteor that struck the earth against all odds? And how much oil could be produced? According to the Office of Management and Budget, the Selective Service System could create $23 million worth of oil -- oil that should be preserved, not wasted.

Last year there was a heated debate about whether to provide the Selective Service System with $28.6 million in funding. This subcommittee, as you well remember, held hearings and reduced funding to $5 million, which was intended to help eliminate the Selective Service System. On June 28, 1993, the House defeated a floor amendment, which attempted to restore $20 million of Selective Service's funding.

The proponents of the Selective Service System argued that our national security depended on the SSS. I believe this argument helped the proponents of the SSS persuade some Members of the House to vote to concur with the Senate last fall and provide the Selective Service with $25 million in funding.

Thanks to a recent Department of Defense report to the President and Congress, we now know that that argument is wrong. The DoD report states that "peacetime draft registration could be suspended without irreparable damage to national security." The report reasons that "because of the reduced global threat together with improved total force readiness... the effects of eliminating draft registration... are expected to be minimal."

President Clinton has said that he would like to "study how to make the best use of Selective Service System capabilities and resources." I hope the President, after careful deliberation, will make the right choice and terminate the funding for the SSS.

Our nation's debt continues to grow by the minute. And many important federal programs could use $23 million to help educate our children, reduce crime and provide health care for Americans who have none.

The DoD says that it's time for the extinction of the Selective Service System -- our modern day dinosaur. Where's that meteor when you need it?

Mr. STOKES. Mr. Banister, Mr. Brodsky, and Mr. Tropea, we appreciate very much your appearance here today.

You have given us some excellent testimony and we appreciate it.

Mr. BANISTER. Sir, thank you very much. And again, many thanks for your visit to the headquarters. Your photograph adorns many of our walls.

Mr. STOKES. Well, that is nice to know. I met a lot of very fine people that day. I was very impressed with your personnel there and please convey to them my best regard.

Thank you very much.

[The justifications follow:]

SELECTIVE SERVICE SYSTEM

BUDGET JUSTIFICATION
FISCAL YEAR
1995

THE DIRECTOR OF SELECTIVE SERVICE
Arlington, VA 22209-2425

March 18, 1994

The Honorable Louis Stokes
Chairman, Subcommittee on VA, HUD
and Independent Agencies
Committee on Appropriations
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Transmitted herewith is the Selective Service System's Fiscal Year 1995 budget submission in the amount of $23 million, representing a $2 million reduction from the Fiscal Year 1994 appropriation. This lower budget will still permit continued accomplishment of the Agency's statutorily mandated missions. To accomplish this, however, will require the Agency to trim the scope of its programs, reduce full-time staffing, realign the region structure, and scale back the number of paid drills for assigned National Guard and Reserve Officers. These initiatives when implemented will result in a reduced, but acceptable, readiness level.

I look forward to meeting with your distinguished Subcommittee to discuss the programs of the Selective Service System and provide you with information on our budget request.

Sincerely,

G Huntington Banister

G. Huntington Banister
Acting Director

SELECTIVE SERVICE SYSTEM
FY 1995 CONGRESSIONAL JUSTIFICATION

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PROGRAM AND PERFORMANCE

The Selective Service System (SSS) will continue to register men as they reach age 18 as required by law, conduct a non-registrant identification program to insure compliance with the law, and maintain a data base of registrant records. Also, the System will strive to maintain a high degree of operational readiness to respond rapidly, effectively, and efficiently to any crisis that may require a return to conscription.

Activities supporting operational readiness include all facets of national and regional operational planning, maintenance of automated registration information, a comprehensive training program for the System's Reserve Forces, and a training program for the standby Board Members. Many of these activities have been scaled back consistent with recent budget reductions. However, the processing procedures of the Registrant Information and Management System will continue to be tested and refined to insure that the system can fully satisfy any emergency manpower needs of the Armed Forces.

Reserve and National Guard Officers are trained for mobilization assignments in specific positions within the System. To ensure a high level of readiness in the event of a requirement to return to conscription, the System will continue to conduct exercises of the mobilization plans.

The completion of the statutorily mandated Health Care Personnel Delivery System improved the Agency's operational readiness. The one-step, combined examination and induction ADP System and corresponding prototype forms and procedures have been completed. Fine tuning of this one-step system and the development of follow-on components remain ahead. Draft legislation is ready for submission to the Congress for the emergency conscription of health care personnel.

PROGRAM HIGHLIGHTS

Operational readiness will continue to be one of the important activities of the Selective Service System in FY 1995. A nationwide readiness test of the major components of SSS was conducted in March 1993, involving virtually all of the SSS Reserve Forces, Recruiter Augmentees, and members of selected Local and Appeal Boards. A major objective was to comprehensively test supporting ADP systems, including Area Office terminals and files transfer. During FY 1994, National Headquarters completed an evaluation of the effectiveness of the Agency's readiness programs and further developed the Agency's concepts for future planning, training and exercise activities.

Section 10(h) of the Military Selective Service Act, as amended, requires the SSS to develop and maintain a system for the delivery of health care personnel to the Armed Forces in a national emergency. This standby Health Care Personnel Delivery System (HCPDS) is complete and capable of providing the first deliveries for examination and induction within 42 days after the necessary statutory authorization and funding are provided. The ability to meet this delivery schedule assumes the availability of pre-trained Reserve Force Officers and the continuation of a viable Board Member program. HCPDS is a prototype emergency-use system, which could be rapidly cloned to register and conscript other occupational skills. Therefore, it is a system which could provide a variety of critically needed skills to the Armed Forces in an emergency. In FY 1995, work should continue on HCPDS follow-on components and testing, including the capability to make Alternative Service work assignments for health care registrants found to be conscientious objectors opposed to all military service and a health care registration compliance system to identify and process potential non-registrants.

On-time registration of all men required to register within 30 days of their 18th birthday continues to be a primary goal of the Agency. Registration awareness efforts are targeted at 17-19 year old men to insure that all men required to be registered have done so before the age of 20, the prime year of vulnerability in a future draft under present law. These activities are conducted at local, state, regional, and national levels. Radio and television public service announcements (PSAs), developed under SSS direction, were previously distributed to English and Spanish TV and radio stations throughout the country. These high quality PSAs were well received by radio and television station public service directors and received high play rates around the country. It is hoped that the Agency will be able to continue to fund production of high quality PSAs. However, in FY 1995, registration awareness activities will be curtailed. The limited funding that may be available for these activities will be dedicated to reminder messages for urban audiences in cities where there are significant registration shortfalls.

Over the past several years, many state governors and local officials have issued proclamations supporting registration, and 18 states have enacted "Solomon-type" and/or "Thurmond-type" legislation. Such state legislation requires that men register with SSS as a prerequisite for receiving state educational assistance or state employment.

Utilizing Department of Motor Vehicle files from various states, the Registration Reminder Mail-back Program continues to be an unqualified success with a return rate of 46 percent. The annual mailing to men on the DoD high school recruiting list also utilizes the mail-back postcard format. As a result of these efforts, 14 million men who are currently ages 18 through 25, have complied with the law by registering.

An interagency working group, chaired by a representative of the National Security Council (NSC), has been meeting since the middle of January 1994. The working group's goal is to help develop the Administration's position on the requirements for peacetime registration and the future role of the SSS. The members of the working group include representatives of the NSC, the Department of Defense (DoD), Joint Chiefs of Staff, Office of Management and Budget, White House Office of Cabinet Affairs, White House Office for National Service, and SSS. The review is scheduled to be completed by the end of April. At the time of this printing, the SSS is awaiting the results of the working group's recommendations so that final decisions can be made regarding the full programmatic impact on the Agency. Until that time, the Agency will continue to accomplish all of its legally mandated responsibilities.

But to operate within the confines of this budget, some changes will be necessary. Cost cutting actions to be taken could include, further reductions in registration awareness efforts, in both full-time civilian and military staffing, and in paid drills for the Reserve Force Officers from 48 in FY 1993 to 32 in FY 1994 and 24 in FY 1995. The Agency management also plans to consolidate Region Headquarters from six to three.

The increasing demand for services, e.g., development of the Congressionally-mandated Health Care Personnel Delivery System, coupled with limited resources, dictates the need to increase productivity through the use of new ADP technology and improved methods. A number of important initiatives were completed in FY 1993, and other new initiatives and concepts are being reviewed and analyzed in a continuing effort to provide enhanced readiness, automated capabilities and efficiency to Agency staff. During FY 1993, the Area Office Computer Aided Training and Operations (CATO) System was successfully tested in Mobilization Exercise 1993 (MOBEX '93), local area networks were installed in the regions, the SF-52 Tracking System was implemented, the accounting system was converted from FEMA's Financial Accounting and Reporting System to Department of Interior's Federal Financial System, the Standard Board Member Program (SBMP) pilot was tested in two regions, and the Mobilization Data Collection FY 1993 (MDC93) and Mobilization Training Statistical System (MTSS) were developed and implemented. These are examples of some FY 1993 initiatives that were completed.

The Agency experienced a budget reduction of over 14 percent between the FY 1993 and the FY 1994 appropriations. It was absorbed by a number of actions, including a hiring freeze on both full-time military and civilian personnel, a freeze on accessions for Reserve Force Officers as well as a reduction in the number of paid drills, cancellation of both Board Member continuation training and Recruiter Augmentee training for FY 1994, a reduction in the registration awareness efforts and reductions in most operating expenses throughout the entire Agency. The Agency will continue to strive to perform its assigned mission over the near term by concentrating on its most critical tasks: registering young men 18 through 25 years of age, and maintaining as high a degree of operational readiness as possible. Throughout FY 1993, the Agency was able to maintain a high state of readiness. In FY 1994 and FY 1995, the readiness level is reduced. However, it is at an acceptable level.

The SSS continues to streamline its current operation. For example, the Agency is now in the process of making internal management changes to reduce personnel, improve the organizational structure, and enhance operational efficiencies.

SELECTIVE SERVICE SYSTEM
SUMMARY OF PROGRAM COSTS
FY 1993 - FY 1995
(in thousands of dollars)

	FY 1993 Planned	FY 1993 Actual	FY 1994 Planned	FY 1994 Current Estimate	FY 1995 Estimate
Operational Readiness 1/	6,438	7,729	7,320	5,314	4,772
Registration	2,427	1,812	2,117	1,744	1,796
Registration Awareness	436	405	397	288	296
Compliance	608	551	651	406	418
ADP	1,674	1,422	1,644	1,310	1,301
Administration 2/	17,033	16,564	16,883	15,938	14,417
(Personnel Compensation and Related Costs)	(13,087)	(12,532)	(12,669)	(12,230)	(10,829)
Total	28,616	28,483	29,012	25,000	23,000
FTE Authorized		267	263	238	238
FTE Funded		242	252	225	215

1/ Includes Reserve Force Officers salaries and benefits

2/ Includes civilian and active duty salaries and benefits, overhead, and all expenses not directly attributable to the other five programs.

OPERATIONAL READINESS (formerly Mobilization Readiness)

Registrant Information and Management System (RIMS). Policy and procedures for accomplishing registrant processing for induction are contained in the RIMS Manual. This publication is under continuous review as opportunities for improvements and refinements in procedures and data systems are identified and implemented. Exercises and reviews indicate that RIMS is operationally ready and capable of performing the statutory conscription mission of the Selective Service System (SSS) in the event of a national emergency. The data system and file transfer capability have been tested during periodic readiness exercises. This type of testing will continue in the future.

Initial emergency manpower requirements call for the issuance of induction orders as early as three days following a notification by Department of Defense (DoD). Such requirements would be met using a one-step examination and induction process whereby potential inductees would report to a Military Entrance Processing Station (MEPS) for examination and, if they were found qualified, would be immediately inducted. Registrants requesting postponement or reclassification would have their inductions delayed while their claims were being processed by Local Boards and Area Offices. This is the system which has undergone MOBEX testing in previous years.

Preinduction Processing System (PIPS). After an initial surge of inductions in a national emergency, or if sufficient lead time permits, plans call for the implementation of a two-step preinduction examination system whereby registrants would be examined several months in advance of their anticipated induction. This steady-state non-emergency system, known as the PIPS, has been developed and is on the shelf, where it will remain until DoD manpower requirements reflect the need for it.

Under the PIPS procedures, registrants who are found qualified at the MEPS will be given an opportunity to file claims for reclassification. Those registrants who do not file such claims, or who do not qualify for the claims they file, will form the pool of men available for induction.

Computer Aided Training and Operations (CATO). The data entry system which would be used at Area Offices under either RIMS or PIPS was developed by Selective Service personnel during FY 1992 and became operational at the beginning of FY 1993. Under CATO, a registrant's record is downloaded to a data base in a personal computer at the Area Office to which he is assigned when he is ordered for induction. Area Office personnel update the registrant's record to reflect processing activities involved in any claims for postponement or reclassification. Letters and forms are generated as a result of these updates and are printed on a laser printer using plain bond paper, thereby eliminating the need to maintain stocks of letterhead or blank forms. Updates to registrants' records are transmitted to the mainframe computer during an overnight file transfer. Because CATO has its own local data base, the system has many edits which reduce the need for error correction after initial upload of data. The system is "user friendly" and removes the need to know technical codes and transaction identifiers.

The latest revision to CATO incorporates a number of refinements suggested by Reserve Force Officers during demonstrations and training sessions in the summer of 1993. Further refinements are scheduled for completion in FY 1994.

Lottery. The SSS conducts two lottery exercises each year -- Phase I, Capsule-Filling, Drum-Loading and Sealing; and Phase II, the Lottery Drawing. Employees throughout the National Headquarters are trained in both phases. By providing training to its employees, SSS provides continuity and experienced professional personnel who can conduct either phase of the lottery, should Congress and the President authorize a draft. Lottery equipment was redesigned, constructed and delivered to SSS during FY 1993 to replace equipment constructed in the late 1970's. The newer equipment will be used at the next lottery training exercise scheduled for late FY 1994.

Alternative Service Program. Registrants whose conscientious objection encompasses both combatant and noncombatant military training and service are subject to processing under the Alternative Service Program. The Military Selective Service Act (MSSA) recognizes and respects the status of those registrants who are conscientiously opposed to participation in military training and service, and provides for non-military service in the national interest which will allow a young man to fulfill his obligation to his country in a manner consistent with his beliefs.

The Alternative Service Program staff identifies eligible employers, places conscientious objectors in appropriate jobs, monitors their performance, certifies their satisfactory completion, and monitors a structure of Civilian Review Boards to review job assignments when a conscientious objector alleges that his assignment violates his beliefs.

The automated Alternative Service Program System (ASPS) monitors the processing status of Alternative Service Workers (ASWs). It will track the scheduling of job interviews and the placement of ASWs in a specific alternative service work assignment. After the ASW is placed, his time and performance on the job are monitored. Changes in work assignments and losses of time are recorded.

Currently ASPS is being reprogrammed in a more sophisticated and user friendly software system modeled after the CATO System used for the RIMS and PIPS operations. The system will be developed, programmed and tested in-house. This new system will automate many of the routine procedures at Alternative Service Offices. It will combine data entry transactions with the production of required letters and forms, working from a local data base which is created when ASWs are issued orders to report to the Alternative Service Program. Overnight upload of transactions to the mainframe Alternative Service data base will take place. This system will automatically reference the RIMS manual chapters which provide the Alternative Service Office Manager with pertinent reference information on the rights, duties, responsibilities of the ASW, ASW employers and SSS, and define the procedures and regulations that govern the Alternative Service Program. Reprogramming of the ASPS is expected to be completed in late FY 1994.

Health Care Personnel Delivery System (HCPDS). A 1987 amendment of Section 10(h) of the MSSA required the SSS to develop a structure for the post-mobilization registration and classification of persons qualified for practice or employment in a health care occupation essential to the Armed Forces. In September 1988, DoD indicated that it could potentially require personnel in over 60 health care specialties, with possibly tens of thousands of these specialists required almost immediately at the start of a major war to care for wounded service members.

Current Status. The Health Care Personnel Delivery System combines examination and induction system and procedures have been completed, providing a capability which it is estimated would permit making first deliveries to DoD for examination and induction by M+42, after statutory authorization and funding are available. These completed emergency HCPDS procedures are key to responding to DoD's potential worst-case medical manpower needs.

This standby health care personnel conscription system could respond, upon authorization by the Congress and implementation by the President, to any future requirement that skilled civilian health care personnel would be conscripted to augment the medical capabilities of the Armed Forces. The emergency HCPDS includes the supporting automated programs, draft legislation, a draft Presidential Proclamation, standby regulations, assorted prototype forms and computer-generated documents, and other materials.

This prototype emergency-use system, if authorized by law, could also be rapidly cloned to register and conscript those personnel possessing other occupational skills which become critically needed by the Armed Forces in a particular emergency. Whatever reduced active and reserve military force levels and mix eventually result from world events, the HCPDS will be an important, low-cost component in the Nation's capability to augment its Armed Forces.

FY 1993 accomplishments included:

- Publication in *The Federal Register* in April 1993 of a revised and expanded HCPDS concept, with details on an essentiality occupational deferment for health care personnel, a National Health Care Personnel Advisory Committee, and State Health Care

Personnel Advisory Committees. Prior to that publication the expanded concept had been coordinated with, and briefed to, concerned Federal agencies, as well as provided and briefed to several interested health care associations. The revised and expanded HCPDS concept met with widespread acceptance, indicative of concurrence with the 1987 Congressional determination that this standby system was needed insurance for military medical readiness.

- Participating in a Department of Health and Human Services sponsored interagency meeting and decision in connection with a DoD suggestion that student deferments be provided to those enrolled in health care education and training.
- Providing suggestions involving HCPDS for a draft revision of an Army-sponsored Joint Regulation, AR 601-270, "MEPS."
- Providing HCPDS coverage in an update to FEMA's Major Emergency Action entitled, "Resume Conscription."
- Internal coordination and approval of broad approaches to establishing HCPDS follow-on components, including: alternative service for health care registrants found to be conscientious objectors opposed to all military service; a two-step examination and induction system; and a health care registration compliance system to identify potential non-registrants for further action.
- Refining of logistical contingency plans to produce required HCPDS materials rapidly from prototypes and deliver them to post offices, overseas Department of State sites, and SSS office locations under an expanded operation.

Major tasks planned for FY 1994 include:

- Developing broad policies and procedures on the deferment of health care personnel who are Federal employees required to register under HCPDS.
- Developing more detailed plans and policies with Department of Veterans Affairs personnel concerning how the impact of HCPDS implementation upon their health care personnel could be minimized.
- Providing DoD with further suggestions for its HCPDS planning guidance to the Armed Forces.
- Publishing formal mobilization plan changes for HCPDS.

FY 1995 plans call for:

- Limited testing of all completed HCPDS components and their interface with other Agency systems, including the capability to make alternative service work assignments for health care registrants found to be conscientious objectors opposed to all military service and a Health Care Registration Compliance System to identify and process potential non-registrants, with refinements being made where necessary.

- Developing detailed plans for production of training materials and training of field personnel for HCPDS implementation and operation.

- Developing detailed plans for a major, large scale HCPDS test.

- Completion of any projects which are not completed in FY 1994.

Board Member Training. The SSS is responsible for training uncompensated Board Members who will serve in their respective communities in the event of reinstitution of the induction process. The Local and District Appeal Boards are responsible for deciding claims by registrants for postponements, deferments and exemptions from service in the military either by an original claim or an appeal. The Civilian Review Board (CRB) members act on appeals of requests for job reassignments when the request is based on the registrant's conscientious objection to his employment. These boards are authorized over 11,000 citizen-volunteer members.

Training Requirements. Normally, each training year provides both initial and continuation training to Local and Appeal Board Members. CRB Members receive continuation training every other year. Local and District Appeal Board Members are required to complete a 12 hour initial training course which provides basic instruction in their responsibilities. They then must participate annually in four hours of continuation training that enhances skills, provides instruction with respect to changes in policy and/or procedures, and maintains individual readiness levels.

Training Concept. FY 1993 Local and Appeal Board training included an audio cassette featuring a model board reviewing a registrant's request for a 4-D ministerial deferment. The training also used the refresher format and two role play scenarios. Selected members were chosen to participate in the readiness exercise using the same training package in an Area Office and State Headquarters setting.

Because of reductions in the FY 1994 appropriation, the Board Member Continuation Training was canceled. However, the FY 1994 training package was developed and is currently in the Regions. This package can provide training guidance in FY 1995. It consists of a training video developed by SSS. The Air Force Television Unit at the Pentagon volunteered to direct, produce and film the Local Board training video at no cost to the SSS. A discussion and participation role play will be used with the video in the four hour continuation training scheduled for FY 1995, if funding is available. Training will reflect the comments and suggestions from Board Members, State Directors, Reserve Force Officers and regional staffs. It is anticipated that the response on the video will be favorable.

Training Aids. Maintaining Board Member interest while covering similar information year after year is becoming more challenging. The need to change and improve the training packages and keep up with current training methodologies is vital. In the future, training will use quizzes, workbooks, handouts, visual graphic transparencies (VGTs), multi-media concepts and other up-to-date training techniques. These up-to-date training techniques are necessary to reinforce retention of the material as well as to inspire continued participation in the programs.

As the training packages have progressed from a "stand alone" lecture style to a visual, participatory, multi-media style, so has the need for better, "state-of-the-art" software and hardware to produce quality material. The training is created using personal computers. The most current hardware and software are required to develop training packages that will keep the volunteer Board Member coming back while also keeping them prepared to perform their duties and responsibilities. VGTs tie the package together and give the member a good visual recognition as well as a focus for the trainer.

The newly developed computer data based Mobilization Training Statistical System (MTSS) is used to monitor and analyze the evaluations of the training from the view point of both presenters and participants. This requires lengthy programming and generation of new data base production reports each fiscal year. Extensive analysis of the evaluation and individual comments have given the Training Division a timely self measurement tool for future development of training packages.

The Reserve Force Officers (RFOs). RFOs include members from six of the seven Reserve Components of the Armed Forces, including the Army National Guard in all States and territories. These officers have projected assignments that require them to be proficient in the start up and operation of Area Offices, State Headquarters, and augmentation of both the Region and National Headquarters.

The SSS depends on these officers to know their duties and responsibilities and to be proficient in their various functions in order to carry out the mission of the SSS in the event of a return to conscription. This requires periodic training in the SSS policies and procedures as well as the every day functions of their respective offices.

Training Requirement. The training for the RFOs consists of four major areas.

- **New Officer/State Director Training (NO/SD).** Training for newly appointed officers and State Directors is given within the first year of their appointment. It is given in two phases. Phase I consists of an historical background and is self-study with certification of completion by the Detachment Commander. Phase II is a briefing of the National and Region organization and individual assignment responsibilities. A new portion of Phase II training is being tested in some of the Regions. It is a Professional Development Course (PDC) and consists of instruction in the Area Office Manager (AOM), Alternative Service Office (ASO) Training Guidance Outlines (TGOs). The final portion of the PDC is the AOM Certification Examination. We standardized the PDC in FY 1994. It will be implemented in FY 1995.

- **AOM Certification Examination.** To assure that the SSS has well trained officers, an AOM Certification Examination is given to RFOs covering the AOM and ASO responsibilities every three years. This examination was updated in FY 1994. It is scheduled to be given in FY 1995.

- **Training Guidance Outlines.** This is a series of policy and procedure outlines intended to train the RFO in his/her responsibilities for a specific Agency function. They include Area Office/Alternative Service Office, MEPS Liaison Officer, State Headquarters, Region Headquarters, and National Headquarters functions. The TGOs will be rewritten and updated in FY 1994 and FY 1995. They are studied during a Unit Training Assembly at the individual drill site. In addition, supplemental TGOs are created each fiscal year to augment the basic document and provide new exercises with more demanding research and problem solving requirements.

- **Readiness Exercise.** All RFOs are required to participate in readiness exercises. This will determine their level of expertise and is also an indicator of what areas of training require continued or new focus. An exercise was held in FY 1993.

The conversion to the new Computer Aided Training and Operations (CATO) data entry system requires additional training time for the officers to become proficient in the new system. In addition to their own training requirements, the RFOs present training to Board Members and Recruiter Augmentees. The Recruiter Augmentee training also includes the use of CATO. It is imperative, therefore, that the RFO learn and understand this system. FY 1994 and future years will focus more and more on computer assisted training. The training function within CATO is scheduled for implementation in FY 1994.

During peacetime, RFOs are trained to maintain their ability to mobilize. This training is in the form of Training Guidance Outlines, Training Guidance Packets, and other training as assigned by National and Region Headquarters. This training is accomplished during weekend unit training assemblies. In addition to their own training, they present training materials to Local, Appeal and Civilian Review Board members. Selected RFOs are tasked by the Region to present the 12 hour Initial Board Member training and then to instruct the 4 hour annual continuation training to all existing board members. RFOs are also required to provide yearly instruction to the Recruiter Augmentees either in the form of a readiness exercise or 12 hour group training. The Regions rely extensively on the RFOs to recruit and interview replacement board members. This consists of contacting various groups within urban and rural communities to identify qualified volunteers for the Board Member program and then to set up and conduct personal interviews; complete the paperwork and forward their recommendations to the State Director. The RFOs are tasked to assist in various registration awareness initiatives, primarily targeted to the urban areas.

Recruiter Augmentee Training (RA). A Memorandum of Understanding (MOU) between the DoD and the SSS authorizes 1,500 Army National Guard Recruiters nationwide to supplement the RFOs at the Area Office level in the event of a return to conscription. The MOU also provides for a two day training period each year for these RAs. These RAs will assist with the daily administrative duties at the Area Office site in all states.

Training Requirements. The training for RAs consists of a 12 hour course during the years there is not a readiness exercise. During a readiness exercise, RAs participate with the RFOs at the Area Office level. In FY 1993, their level of expertise was tested during the exercise. The reduction in the FY 1994 appropriation required the cancellation of the RA 12-hour training. Self study training is scheduled for FY 1995. When given, this course will utilize various training aids to present the training to include the use of the personal computer for practice with CATO, practice with the policy and procedure manuals, and registrant processing problem solving.

In a year in which a readiness exercise is not conducted, newly assigned RAs have a self-study workbook they can utilize prior to the exercise for a basic introduction to the SSS and their responsibilities.

State Director Training. State Directors are recommended by the Governors of the 56 states or territories and appointed by the Director of SSS. During peacetime, State Directors are intermittent employees who assist the Region Directors with liaison duties between the political entities of their respective states and in the recruitment of Board Members. Upon return to conscription, they are required to establish and manage a state SSS headquarters. This would entail the duties they perform during peacetime plus recruitment of personnel for their offices, and administrative oversight of the Area Offices and Alternative Service Offices within the state.

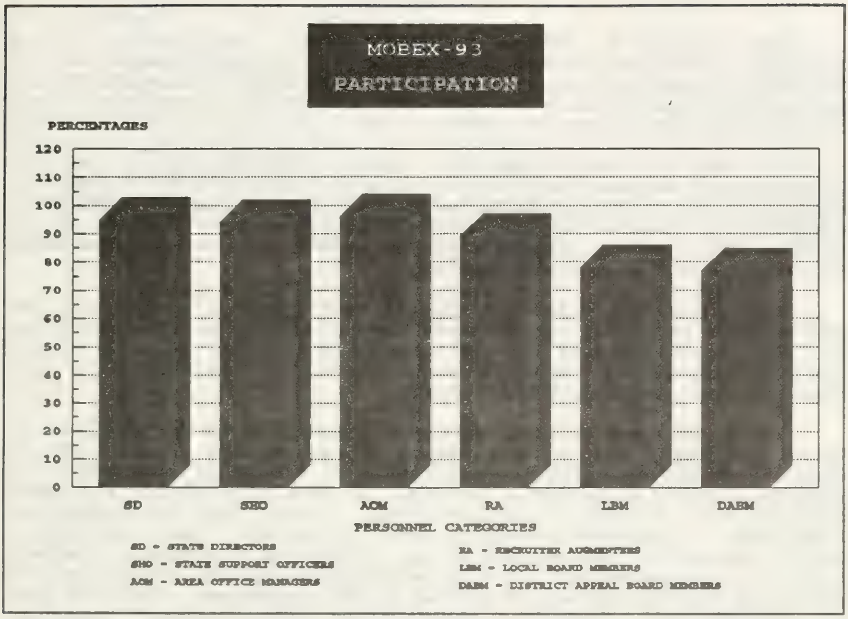
Training Requirements. Annual attendance for State Directors is required at NO/SD Phase II training at the Region Headquarters, participation in the State Headquarters readiness exercises, and a four to six hour training course in those years there is no readiness exercise.

The State Directors participated in a readiness exercise in FY 1993. The requirement for FY 1994 will be four to six hours of training in the functions of the State Headquarters, with emphasis on the State Director duties and will utilize the State Mobilization Plan and the State Headquarters series of TGOs. In FY 1995, 50 percent of the four hour continuation training for District Appeal Board Members is planned.

Readiness Exercises. The SSS must be prepared to provide manpower to the DoD in the necessary quantity and within the time required, and to provide for a program of alternative service for conscientious objectors. To ensure and enhance this capability, intra and inter Agency readiness exercises are conducted to evaluate the effectiveness of the plans, programs, and procedures to activate the SSS and conduct the claims and appeals process. These exercises also evaluate the status of training and readiness of the RFOs, Board Members, State Directors and RAs to perform their duties.

The FY 1993 readiness exercise was the most ambitious and successful nationwide preparedness test to date. The exercise was designed to be conducted over one weekend, and involve all provisional Area Office and State Headquarters locations, and virtually all of the RFOs, RAs, and Region and National Headquarters operational readiness personnel. Members of selected Local and District Appeal Boards were provided continuation training in conjunction with the exercise. Another major objective satisfied during the FY 1993 exercise was testing of the nationwide automated Area Office file transfer system. Careful planning and coordination enabled the accomplishment of a significant amount of the annual training and exercise requirements during the one weekend, thus conserving critical resources.

Current planning for FY 1994 will focus on the development of objectives and concepts of operation for future Readiness Exercises (REX) using the lessons learned from the past evaluations and the contemporary operational requirements, missions, and goals for the future. Exercise and concurrent training materials will be jointly designed and developed by National and Region readiness managers.



Region readiness conferences will be conducted to train the RFO players and controllers in the management of the Readiness Exercises to ensure consistent application of current procedures and automated data support systems.

The Agency's Readiness Exercise program contributes significantly to program evaluation and the development of well trained manpower resources which enhance preparedness to meet the national objectives. The Agency will continue to employ this type of program management to accomplish the most readiness activities with the least expenditure of public funds.

REGISTRATION

The Selective Service System (SSS) registration is a straightforward and vital contribution to the maintenance of our Nation's defense and freedom. To help preserve our freedom for future generations, our Nation's men have the obligation to register within 30 days of reaching age 18 years.

The SSS registration program ensures that the Agency can meet Department of Defense (DoD) current manpower requirements if Congress authorizes and the President directs inductions. Without a successful registration program in peacetime, SSS would have difficulty in meeting its statutory responsibility to provide manpower to the Armed Forces in a fair and timely manner.

Maintaining an effective registration program for all men has been a major focus for the SSS since the reinstitution of registration in 1980. As of December 1993, 96 percent of all men, 14 million, who are currently age 18 through 25 born in the years 1968-1975 who were required to register had registered.

Young men have several straightforward methods to register at their disposal. The primary method of registering is at a United States Post Office. The process itself is simple and equitable. A young man merely completes a registration form by providing his name, address, date of birth, telephone number, social security number, and signature. Completed forms are sent to the SSS's Data Management Center, where the information is put on file in a central computer. A written acknowledgment of his registration record, including his Selective Service Number, is mailed to the registrant within 90 days of registering. Providing registration acknowledgment cards is important because of the requirement for proof of registration in connection with some job applications, Federal student financial aid programs, and some job training programs.

Another principal method of registering is through SSS's direct mail "Reminder Mail-back" Registration Program. The program enables young men to register conveniently by filling out the registration form they receive in the mail and returning it to SSS for processing. Names of men about to turn 18 are obtained from state Departments of Motor Vehicles (DMV), the DoD high school recruiting list, the Immigration and Naturalization Service, and the Department of Education. The DMV Reminder Mail-back Program generates more than 500,000 registrations yearly, averaging a 46 percent return rate from the approximately 1.1 million DMV Reminder Mail-back cards SSS sends to potential registrants each year.

In addition to registration at U.S. Post Offices and registrations received through the Reminder Mail-back Program, registrations are received from several other sources, such as the Compliance Program (page 19), the Centralized Registrar Program, Pell

Grant applicants, registrations at a U.S. Embassy or Consular Office, and enlistments in the Armed Forces.

In order for men to be fully informed about the registration requirement, a brochure entitled "Selective Service and You" is available at Post Offices and diplomatic and consular posts. This brochure addresses the most commonly asked questions by men required to register and provides them with a telephone number and address to contact SSS should they require additional information. A more detailed information booklet entitled "Information for Registrants" is available upon request from the Consumer Information Center in Pueblo, Colorado. Approximately 1,200 booklets per month are distributed by the Consumer Information Center.

REGISTRATION AWARENESS (formerly Registration Improvement)

Registration awareness activities focus on encouraging men to register on time in order to maximize compliance rates among men of registration age. The current registration compliance rate is over 96 percent and to keep it at a high level requires continuation of an effective registration awareness program. A variety of registration awareness activities are intended to increase public awareness of the registration requirement. Nationwide registration awareness activities include: Public Service Announcements on television, radio and in newspapers; supportive legislation and proclamations at the state and local levels; and registration posters at locations where young people congregate.

Registration awareness activities undertaken by some of the Region Headquarters include: bus cards in various mass transit systems, inclusion of a registration message in corporate newsletters and utility bills, participation in numerous state fairs and other local exhibitions, and display of a registration message on the electronic scoreboard during the Atlanta Braves home baseball games including the National League Championship and World Series games.

One of the more recent registration programs is the Urban Area Registration Program (UARP). The program is a direct mail campaign targeted towards influencers and community groups that service minority and disadvantaged young men in the areas where the compliance rates are routinely low. The program is important because registration is a prerequisite for several Federal benefit programs for which these individuals may be in need. The program focuses public awareness of the registration requirement in specific areas in which a high concentration of minority and disadvantaged men live.

Over time, the public affairs staff has proven that the awareness mission can be accomplished most cost effectively through a three tiered program:

- A comprehensive Public Service Announcement (PSA) campaign using television, radio, movie theaters, and print targeted at high school age men.
- A print communications program featuring a monthly newsletter for employees, RFOs, and Board Members, and an annual report to the Congress.
- An ongoing program of responding to media and public citizen inquiries.

During FY 1993, the following activities were conducted with success:

- Production of a television PSA, "Salaries," in both English and Spanish with an added emphasis for placement on stations and cable channels viewed by urban African-Americans, Hispanics, and Asians.

- Production of six new radio PSAs to include spots for African-Americans, Hispanics, the 18-year-old majority audience, and influencers of African-Americans and Hispanics. Emphasis was made for placement on stations directed at urban African-American and Hispanic audiences.

- Production of a public awareness kit for high school males. This will be distributed to some 24,000 high schools. Additional copies of bulletin board posters will be printed for Regional Headquarters to distribute at fairs, in shopping centers, etc.

- A PSA slide was placed in movie theaters for four weeks beginning July 2, 1993, to coincide with the run dates of the movies, "Jurassic Park," "The Firm," and "Rookie of the Year." Theaters in the top 11 markets nationwide having a combined total of 517 screens used the slide. The weekly number of spots was 36,190 with a potential for reaching 9.3 million viewers during the four week run.

- An Agency newsletter is published eight times in an eight page edition for employees, RFOs, and State Directors. An expanded twelve-page edition is published four times a year and also distributed to all Board Members.

- An annual report to the Congress is published.

- Responses to media and public citizen inquiries are prepared daily.

Activities planned for FY 1994 are:

- To continue an electronic Public Awareness Campaign with distribution of new radio and television spots.

- To distribute a high school awareness kit.

- To continue the movie theater slide program.

- To continue publication of an internal newsletter for the employees and Reserve Officers and an annual report.

- To continue a response to media and citizen inquiries.

COMPLIANCE

Only a small percentage of the 18 through 25 year old men who are required to register fail to comply with the law. However, failure to register is not a victimless crime. Each man who does not register increases the draft vulnerability of those who do register. Therefore, to insure the highest degree of fairness to all men, the Selective Service System designed and implemented an automated Compliance Program in August 1982 which identifies possible nonregistrants and reminds them of their obligation to register. As of September 1993, over 4.7 million men have been registered through this program. With the support of state and local governments and other Federal agencies, compliance activities continue to have a significant and positive national impact.

Although SSS obtains names of possible nonregistrants from a variety of list sources, the primary list source is drivers' licensing agencies. Data are obtained from almost every state and territory of the United States, representing 86 percent of the potential registrant records identified for processing. High school student lists and county voter records are also used in areas which have registration shortfalls. Other sources of data used in the Compliance Program are the Social Security Administration, the Department of Defense, the Department of Transportation, the Immigration and Naturalization Service, the Office of Personnel Management, the Department of Health and Human Services, the United States Postal Service (USPS), and the Department of Education (DOE).

The lists or records of possible nonregistrants are matched by computer against the SSS registration file. The names of those registered are dropped. The remaining names are then matched with active-duty rolls of the Armed Forces (including the Coast Guard) to eliminate the names of those who are not currently required to register. Men whose names remained after this second match are sent a compliance letter which includes a registration form. Nonregistrants may register by completing and returning this form. If the man fails to register or to provide evidence that he is exempt from the registration requirement after additional mailings, his name is referred to the Department of Justice (DOJ) for investigation and possible prosecution for violation of the Military Selective Service Act (MSSA).

Computer matching programs are not the only activities performed in support of compliance. At both State and National levels, legislation has been passed which is designed to encourage registration compliance. The Solomon Amendment, (section 12 (f) of the MSSA (50 App. U.S.C. 462 (f))), provides that a man of registration age must be in compliance with the MSSA to be eligible for Federal student aid pursuant to Title IV of the Higher Education Act. Male recipients of Pell Grants must be registered with SSS. If not registered, the applicant can request to be registered when he completes his application for aid. The DOE provides the records of all

Pell Grant applicants via a data link with SSS. Registration records are then established for those applicants who have requested that they be registered. This program has produced approximately 1,164,000 registrations during the period from February 1989 through September 1993. The Thurmond Amendment, (5 U.S.C. 3328), requires compliance with the MSSA for employment in the Executive branch of the Federal Government. The USPS also requires that its applicants be in compliance with the registration requirement as a condition of employment. To date, eighteen States have passed similar legislation affecting applicants for state employment or financial assistance.

The success of the Compliance Program requires continuing acquisition of new lists, with regular monitoring, analysis, and refinement.

COMPLIANCE PROGRAM REGISTRATIONS
from August 1984 through September 1993

Record Sources	Registrations	% of Total Registered through the Compliance Program
Drivers License Lists . . .	4,063,019	85.56
Dept. of Education	189,854	4.00
Dept. of Veterans Affairs .	109,275	2.30
Immig. & Naturalization . .	139,701	2.94
High School Lists	96,048	2.02
Voter Lists	76,186	1.61
Armed Forces	45,228	0.95
Other	29,247	0.62
Total	4,748,558	100.00

AUTOMATED DATA PROCESSING

Since revitalization of the Selective Service System (SSS) in 1980, automation has been the key factor contributing to the significant strides made in increasing personnel productivity. Through the use of advanced automated data processing (ADP) technology, the Agency has attained the ability to meet Department of Defense untrained manpower needs in an emergency, while reducing operating expenses, and providing Agency officials with timely data to assist in managing their administrative and operational activities.

SSS ADP facilities include the Data Management Center (DMC) and Joint Computer Center (JCC), both located in Illinois, and the National Headquarters Computer Center located in Arlington, Virginia. The DMC is the national center for registration processing. It processes all SSS registration, registration maintenance, and compliance systems. The DMC provides all data entry, error correction, printing, mailing, logistics, and computer programming/processing in support of the Registration and Compliance systems. In FY 1993, the DMC processed and added nearly 1.8 million new registrations to the data base files, and processed over 1.3 million changes to registrant records. Additionally, the DMC corresponded with nearly 1.6 million potential non-registrants, processed nearly 726,000 telephone inquiries, over 173,000 written inquiries, plus several million other automated and manual transactions in support of the registration program. The JCC, established jointly by SSS and the United States Military Entrance Processing Command (USMEPCOM), handles the computer processing requirements of registration. Programmers and analysts responsible for developing new systems and maintaining existing systems are located at the National Headquarters, which also houses the computer used for in-house administrative applications. A telecommunications system connects Regional Offices, the DMC, the JCC, and National Headquarters.

The increasing demand for services in the face of reduced funding dictates the need to increase productivity through the use of new ADP technology and improved methods. A number of important initiatives were completed in FY 1993 and many new initiatives and concepts are being reviewed and analyzed in a continuing effort to provide enhanced automation capability and efficiency to Agency staff.

The following are some of the major FY 1993 accomplishments in the ADP area:

- The Offices of Information Management (IM) and Resource Management (RM) studied the economics and efficiencies to be gained by automating the standard and optional Government forms used by the Agency. RM surveyed users to determine what Government forms are used throughout the Agency and how often. The frequently used forms were identified, IM then determined the best method of providing these forms to users. In making this determination, the entire forms automation process was reevaluated. IM determined that the PerForm software already in use best satisfied the needs of the

Agency and decided to purchase the current upgrades to the software. Also, more than twenty forms were made available free of charge from the software vendor. Training for the users on the new software was conducted in September 1993.

- The operational Readiness Exercise conducted by the SSS generates considerable amounts of data for analysis and evaluation. Completed in January 1993, the Mobilization Data Collection System provides a means by which the Region Headquarters can capture these data from questionnaires completed by the State Directors, Reserve Force Officers, Recruiter Augmentees, and Board Members at the completion of the exercise. The data are then analyzed by the Office of Operations via various reports for evaluating the Agency's readiness posture.

- The Mobilization Training Statistical System (MTSS) captures data from the annual training evaluation sheets completed by Board Members, RAs, and RFOs who support the SSS in event of mobilization. Operational readiness and training course effectiveness are analyzed and evaluated via the automated managerial reports provided by this system. MTSS was implemented in February of 1993.

- An interactive voice response (IVR) system was purchased in FY 1991 and implemented in February 1992 at the DMC. The IVR system is designed and programmed to provide automated response to routine inquiries requesting verification of registration and for general information requests. In June 1993 program and vocabulary changes to the IVR were implemented which permit a third party caller to verify the registration status of multiple entitlement applicants via a single phone call, without the assistance of an SSS employee. Another change increased the pause length between spoken Selective Service Number digits. These changes allow the IVR to process more calls reducing the demands on SSS employees. The automated system now processes 52 percent of the calls received by the Registrant Information Office.

- A Memorandum of Understanding was signed with the Internal Revenue Service (IRS) to provide the SSS with administrative and data entry support for processing HCPDS registrations during a national emergency. In the event that health care skills were needed, IRS has agreed to process 50 percent of the mass registration workload (1.75 million forms). An agreement with the Social Security Administration for the other 50 percent of the health care mass registration workload is in place.

- By utilizing the U.S. Postal Service's National Change of Address System, SSS was able to match the records of registrants with undeliverable addresses against a data base containing all change of address notices filed at Post Offices in the United States by the public during the past 36 months. As matches against the file are processed, address updates are automatically applied. The program confirms the accuracy of more than two million registrants' records annually, thereby ensuring that draft eligible registrants can be reached if inductions are resumed. This resulted in saving additional matching expenses. With this program, records will be referred for matching each December preceding the year in which the registrants reach their 20th birthday. This method provides the latest addresses of men approaching their prime year of eligibility.

- In FY 1992, a scanning task group was established to investigate and evaluate optical and intelligent character recognition (OCR/ICR) technology to further streamline workload in the data entry area. The group recommended that, following a test of the OCR/ICR technology, an evaluation paper should be prepared on the test results. The test was conducted by a private contractor in September 1992, and the evaluation paper completed in October 1992. Based on the results of this evaluation, it was decided to perform a requirements analysis which was completed in January 1993. The requirements document was forwarded to the procurement office for comments and planning. This initiative has been temporarily put on hold pending funding availability.

- Local Area Networks (LANS) were installed in the Region Headquarters to improve efficiency in the exchange of electronic mail, in the access to data base systems, and in file transfers. LANS also solve the problem of the lack of disk storage capacity experienced by every Region. This project began in late FY 1992 and was completed in the second quarter of FY 1993.

- A Standardized Board Member Program prototype is under evaluation as a joint effort between the National and Region Headquarters.

- The equipment used at the DMC for printing and assembling letters was replaced during FY 1993. The Agency made a significant improvement in its printing capability and quality. Using cut sheet technology, the Agency took advantage of techniques that save both time and resources while producing a better quality product. To improve the quality of computer generated correspondence and add versatility to letter production capabilities, the Agency converted from continuous form to cut-sheet printing of all DMC generated letters. To accomplish this, approximately 100 letters were reprogrammed for processing on the Xerox (cut-sheet) printer, and a cut-sheet inserting machine was purchased. This enabled the Agency to release the ten-year-old Government owned laser printer and two older model letter inserting machines. The savings in annual maintenance for the older owned equipment will offset a significant portion of the cost of purchasing the new inserting machine.

- SSS evaluated the feasibility of developing and providing computer based training (CBT) to RFOs. It was determined that implementing CBT was not practical for RFOs, at this time. However, the application of CBT in other areas of the Agency is currently being evaluated.

- The Remote Job Entry (RJE) System at the DMC, which is used daily to receive/send registration verification information from/to the Department of Education in conjunction with the Pell Grant program, was replaced during FY 1993. Nearly 3.7 million Pell Grant applicant verifications were provided to the Department of Education through the system during 1993. This unit is used daily for internal processing, and serves as the primary facility for printing reports in the event of off-site processing under disaster recovery conditions, or during the early days of a return to conscription while processing is occurring at an alternative site. The replacement of the RJE resulted in the realization of faster transmission capabilities, increased reliability, and reduced maintenance costs.

- In December 1992, most correspondence and processing associated with the status of individuals who failed to register was centralized at the DMC. Status Information Letters are requested by men who fail to register before their 26th birthday, and later apply for an entitlement or employment which require Selective Service registration. These "non registrants" request interpretation of their case by SSS. To facilitate tracking of the requests and correspondence, an automated control system was established. During January 1993, the system was further improved by permitting all letters to be computer generated. This process eliminated correspondence backlogs and allows one day turnaround on most requests.

FY 1994 plans include:

- The Integrated Procurement and Accounting System will integrate the previously separate Automated Purchasing and Contract System, the Logistic Service Request System, the Property Accounting Management System, and parts of the Federal Financial System.

- A redesign of the Alternative Service Program System (ASPS) is planned for completion in FY 1994. Mainframe and microcomputer programs and procedures will be modified to resemble the CATO System. ASPS will contain data bases on microcomputers at each Alternative Service Office and a data base of all Alternative Service Workers on the mainframe.

- During FY 1994 a file transfer test of transactions and reports will be conducted between approximately 200 Area Offices and the JCC mainframe computer. The file transfer test will exercise new software designed to give Area Offices the capability to dial-up to connect with the JCC mainframe.

- Computer programs to convert registration error letters, and duplicate advice letters to a postcard format are nearly complete. These changes should be implemented early in CY 1994. Over 1.5 million letters are mailed each year. The Agency is evaluating all applications for possible conversion to a postcard format. This will result in lower postage costs.

- IM anticipates beginning the system development effort for the HCPDS Compliance subsystem in mid FY 1994 with a projected completion date during the second quarter of FY 1995.

- Document storage and text retrieval for National and Regional Headquarters file sharing on the wide area network is being evaluated. The software provides indexes and key word searches for all documents and files. These files will be stored on CD-ROM and/or file servers. The system will be accessible throughout the Agency and is expected to improve efficiency, productivity, and reduce paperwork. It will contain non-archival documents and will allow access from any personal computer within the SSS. A software and hardware prototype system will be exercised to provide the basis for implementation planning and cost projection.

- A management review will be conducted, and if feasible, programs will be implemented to enhance the Reminder Card matching programs to reduce duplicate mailings.

- A concept paper and feasibility study will be conducted for the development of an automated purchase order/budget interface.

FY 1995 plans call for the following:

- Volume tests will be conducted to verify the capability and capacity of the contingency operations backup site (COOP) and the procedures for transition to that site.

- The instruction and demonstrations on support software and equipment will be provided at the Annual Training Conferences.

ADMINISTRATION

The following are significant accomplishments in the area of Administration:

Some FY 1993 accomplishments were as follows:

- The Agency successfully converted accounting systems, changing from the Financial Accounting and Reporting System under a cross servicing agreement with the Federal Emergency Management Agency to the Federal Financial System under a cross servicing agreement with the Department of the Interior's Bureau of Reclamation. The new system provides Agency management with more accurate and timely data with less staff time involved in reformatting of existing data which enables management to make better decisions concerning the financial operations of the Agency.

- The plans for relocation and consolidation of the Selective Service System's National Headquarters and Alexandria Computer Center, which have been on-going since FY 1992, were implemented in November 1993. As a result, overhead costs were reduced and operational efficiency increased.

- A task force was formed to conduct an inventory of all records and files. During the second quarter of FY 1993, a survey of record holdings was accomplished. Our goal is to ensure the efficient use of office space and to transfer Agency records to Federal Records Centers and National Archives, as appropriate, for safekeeping.

- The Human Resources policy initiative, which began early in FY 1993, is nearing completion. The subject areas included performance management, reduction-in-force, incentive awards, grievances, and equal employment opportunity. This effort will continue into FY 1994 as new or revised policies are implemented, along with the necessary training and information for managers and employees. As a result, employees have current information in various areas of civilian and military personnel management.

- The initial phase of the conversion of the Department of the Interior's PAY/PERS system was completed in FY 1993, and the preparation of all requests for personnel action is now automated.

- The SSS arranged for participation by its National Headquarters employees in a Skill Clinic and a Learning Center, both of which are operated by larger federal agencies. These resources are available at no charge to SSS, and provide Agency employees numerous opportunities for independent study in areas such as enhancement of current skills, development of skills in new career fields, and career counseling.

- A pilot program to automate and standardize personnel management of the Agency's Board Members was tested in two of the six SSS Regions in FY 1993. An initial evaluation indicates that the program has potential for some savings in staff time and for efficiency of operations, and for improvement of service to the volunteers who staff SSS's boards. If the final evaluation is favorable, the program will be finalized and implementation will begin in the remaining Regions.

- As the Agency began a review of its current mission and related organization and staffing, the Resource Management Directorate was a key participant in this "rightsizing" effort. Significant accomplishments included a complete review of each position in the Agency to assure an accurate classifications according to the latest Office of Personnel Management standards; issuance of a policy on reduction-in-force and a review of employee records to obtain correct data, should reductions become necessary; and, an employee education program to provide the workforce with information related to rightsizing and possible reductions.

- As required by the United States Postal Service, the SSS commenced the metering of all administrative mail in the Regions effective October 1, 1993. However, because of the relocation and consolidation of SSS's National Headquarters, a waiver was obtained from the United States Postal Service allowing additional time to install the necessary postal equipment at the National Headquarters. Mail metering at the National Headquarters is scheduled to begin in April 1994.

FY 1994 plans include:

- The Agency continues to maintain an environment in which all employees are treated fairly and equitably and given full opportunity to contribute to the Agency mission. In FY 1992, the Agency began a recruiting initiative aimed at filling more positions with the best qualified individuals from groups currently underrepresented in the Agency's workforce. Because of possible reductions in mission and staffing, restraints were placed on hiring in FY 1993. When these restraints are lifted, the specialized recruiting efforts will again be a priority for the Agency. In addition, Agency management will identify, wherever possible, training opportunities and upward mobility programs.

- As decisions are reached on the possible modification in the Agency's mission, and on staffing and organization needed to accomplish that mission, the staff will take actions to implement these decisions as they relate to personnel. Actions could include an actual reduction-in-force; redesign of positions and organizations; training programs for new or updated job requirements; and the addressing of issues related to performance management.

- Automation will continue to be utilized as the PAY/PERS conversion continues; performance appraisal forms will be reviewed for possible automation; and the civilian training program will be reviewed for possible automation.
- Performance management will be a focus of the Human Resources Division in FY 1994. As part of the initiative that began in FY 1993, new policies were developed in incentive awards and performance management. These will be implemented in FY 1994, together with any changes necessary in the performance appraisal systems for all civilian employees.
- The automated Property Accounting and Management System has been completely revamped to provide a more efficient method of property accountability. In FY 1994, a complete physical inventory will be conducted and the internal property management policies and procedures will be revised to provide a greater accountability of Agency property.

FY 1995 plans include:

- The continuing effort to integrate the various systems within the Agency into a single system that will provide timely information to senior management.

SELECTIVE SERVICE SYSTEM

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses of the Selective Service System, including expenses of attendance at meetings and of training for uniformed personnel assigned to the Selective Service System, as authorized by law (5 U.S.C. 4101-4118) for civilian employees; and not to exceed $1,000 for official reception and representation expenses; [$25,000,000] $23,000,000: *Provided*, That during the current fiscal year, the President may exempt this appropriation from the provisions of 31 U.S.C. 1341, whenever he deems such action to be necessary in the interest of national defense: *Provided further*, That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.)

SELECTIVE SERVICE SYSTEM
SALARIES AND EXPENSES
PROGRAM AND FINANCING SCHEDULE
(in thousands of dollars)

Identification code 90-0400-0-1-054	FY 1993 Estimate	FY 1994 Estimate	FY 1995 Estimate
Program by activities			
00.01 Total direct program	28,483	25,000	23,000
01.01 Reimbursable program	0	20	20
10.00 Total obligations	28,483	25,020	23,020
Financing:			
25.00 Unobligated balance expiring	133	0	0
39.00 Budget authority (gross)	28,616	25,020	23,020
Budget authority			
Current:			
40.00 Appropriation	28,616	25,000	23,000
Permanent:			
68.00 Spending authority from offsetting collections (new)	0	20	20
Relation of obligations to outlays:			
71.00 Total obligations	28,483	25,020	23,020
72.40 Obligated balance, start of year	12,913	13,703	13,867
74.40 Obligated balance, end of year	-13,703	-13,867	-14,307
77.00 Adjustments in expired accounts	-117	0	0
87.00 Outlays (gross)	27,576	24,856	22,580
Adjustments to budget authority and outlays:			
88.00 Deductions for offsetting collections:			
Trust funds	0	-20	-20
89.00 Budget authority (net)	28,616	25,000	23,000
90.00 Outlays (net)	27,576	24,836	22,560

SELECTIVE SERVICE SYSTEM
SALARIES AND EXPENSES
OBJECT CLASSIFICATION
(in thousands of dollars)

Identification code 90-0400-0-1-054		FY 1993 Actual	FY 1994 Estimate	FY 1995 Estimate
	Personnel compensation:			
11.1	Full-time permanent positions	8,446	8,459	7,251
11.3	Positions other than permanent	231	165	168
11.5	Other personnel compensation	129	96	98
11.8	Special personal services pymts	8,093	5,713	4,963
11.9	Total personnel compensation	16,899	14,433	12,480
12.1	Personnel benefits: civilian	1,838	1,838	1,618
13.0	Benefits for former personnel	20	20	278
21.0	Travel & transportation of persons	559	479	488
22.0	Transportation of things	2	2	2
23.1	Rental payments to GSA	1,293	1,128	1,114
23.3	Communications, utilities, and miscellaneous charges	2,173	2,006	2,010
24.0	Printing and reproduction	611	581	597
25.1	Consultant services	0	0	0
25.2	Other services	4,132	4,180	4,094
26.0	Supplies and materials	237	233	220
31.0	Equipment	719	100	99
42.0	Insurance claims & indemnities	0	0	0
99.0	Subtotal, direct obligations	28,483	25,000	23,000
99.0	Reimbursable obligations	0	20	20
99.9	Total obligations	28,483	25,020	23,020

SELECTIVE SERVICE SYSTEM
SALARIES AND EXPENSES
PERSONNEL SUMMARY

Identification code 90-0400-0-1-054	FY 1993 Actual	FY 1994 Estimate	FY 1995 Estimate
Total number of full-time permanent positions:	261	232	212
Total compensable workyears:			
Full-time equivalent employment (authorized)	267	238	238
Full-time equivalent employment	242	225	215
Full-time equivalent of overtime and holiday hours	2	1	1
Average ES salary	0	120,594	120,594
Average GS grade	8.70	8.90	8.90
Average GS salary	32,360	33,303	33,836
Average salary of ungraded position	24,391	25,034	25,435

SELECTIVE SERVICE SYSTEM
SALARIES AND EXPENSES
OBJECT CLASSIFICATION COMPARISON
(in thousands of dollars)

Identification code 90-0400-0-1-054		FY 1993 Planned	FY 1993 Actual	FY 1994 Planned	FY 1994 Current Estimate
	Personnel compensation:				
11.1	Full-time permanent positions	9,143	8,446	8,961	8,459
11.3	Positions other than permanent	165	231	165	165
11.5	Other personnel compensation	96	129	96	96
11.8	Special personal services pymts	7,248	8,093	7,348	5,713
11.9	Total personnel compensation	16,652	16,899	16,570	14,433
12.1	Personnel benefits: civilian	2,020	1,838	1,985	1,838
13.0	Benefits for former personnel	20	20	20	20
21.0	Travel & transportation of persons	665	559	683	479
22.0	Transportation of things	2	2	2	2
23.1	Rental payments to GSA	1,293	1,293	1,328	1,128
23.3	Communications, utilities, and miscellaneous charges	2,277	2,173	2,338	2,006
24.0	Printing and reproduction	689	611	727	581
25.1	Consultant services	23	0	23	0
25.2	Other services	4,413	4,132	4,605	4,180
26.0	Supplies and materials	274	237	281	233
31.0	Equipment	288	719	450	100
42.0	Insurance claims & indemnities	0	0	0	0
99.0	Subtotal, direct obligations	28,616	28,483	29,012	25,000
99.0	Reimbursable obligations	20	0	20	20
99.9	Total obligations	28,636	28,483	29,032	25,020

REPORT ON OBLIGATIONS FOR INFORMATION TECHNOLOGY SYSTEMS
SELECTIVE SERVICE SYSTEM
(in thousands of dollars)

	FY 1993	FY 1994	FY 1995
1. Capital Investment			
A. Purchase of hardware	171	26	27
B. Purchase of software	13	35	36
C. Site or facility	0	0	0
Subtotal	184	61	63
2. Personnel			
A. Compensation, benefits, and travel	4,335	4,382	4,309
B. Workyears	(109)	(104)	(100)
Subtotal	4,335	4,382	4,309
3. Equipment rental, space, and other operating costs			
A. Lease of hardware	97	108	111
B. Lease of software	0	0	0
C. Space	491	346	340
D. Supplies and other	177	166	170
Subtotal	765	620	621
4. Commercial services			
A. ADPE time	50	52	53
B. Voice communications	131	85	87
C. Data communications	79	94	97
D. Operations and maintenance	197	204	209
E. Systems analysis, programming & design	0	0	0
F. Studies and other	15	0	0
G. Significant use of information technology	0	0	0
Subtotal	472	435	446
5. Interagency services			
A. Payments	1,015	1,004	1,031
B. Offsetting collections	0	0	0
Subtotal	1,015	1,004	1,031
6. Intra-agency services			
A. Payments	0	0	0
B. Offsetting collections	0	0	0
Subtotal	0	0	0

REPORT ON OBLIGATIONS FOR INFORMATION TECHNOLOGY SYSTEMS
SELECTIVE SERVICE SYSTEM
(in thousands of dollars)

	FY 1993	FY 1994	FY 1995
7. Other services			
A. Payments	0	0	0
B. Offsetting collections	0	0	0
Subtotal	0	0	0
Totals			
Total obligations	6,771	6,502	6,470
Workyears	(109)	(104)	(100)

SELECTIVE SERVICE SYSTEM
MAJOR INFORMATION TECHNOLOGY ACQUISITION PLANS
1993 - 1998
(in thousands of dollars)

Item: **Purchase of Hardware**

	1993	1994	1995	1996	1997	1998
Obligations:	171	26	27	28	28	29

Description: Routine replacement cost of terminals, keyboards, and modems.

Item: **Lease of Equipment**

	1993	1994	1995	1996	1997	1998
Obligations:	97	108	111	114	117	120

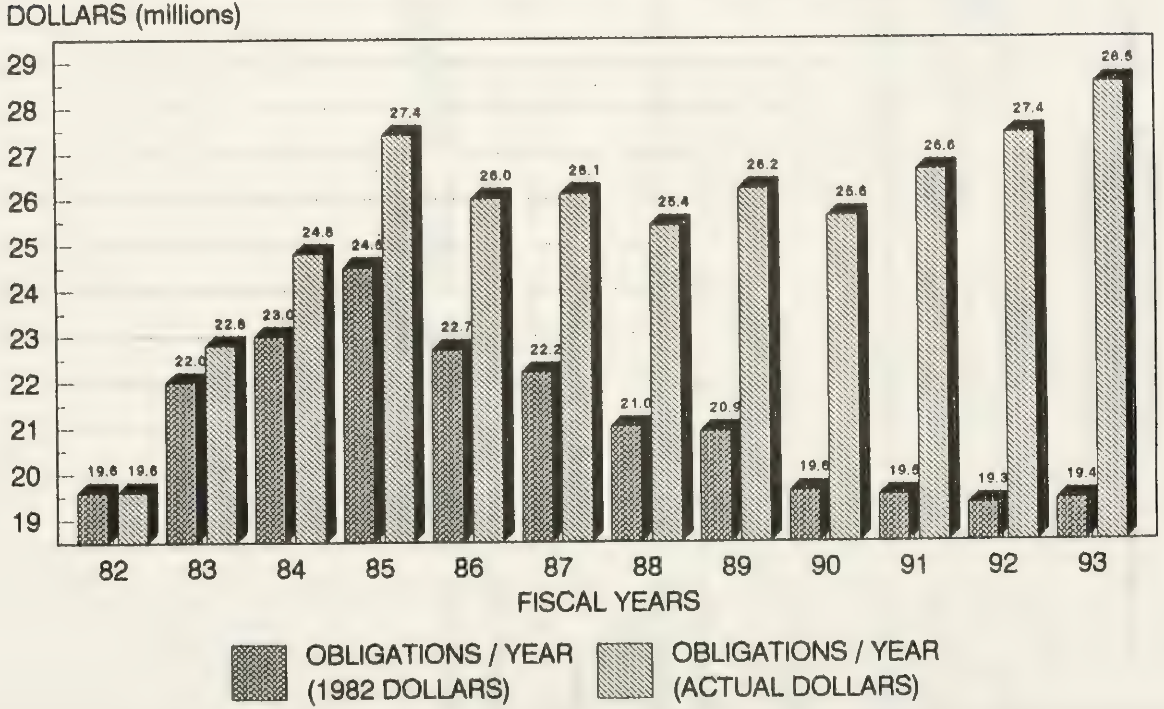
Description: Leasing of a laser printer for postcard production.

Item: **Commercial Services**

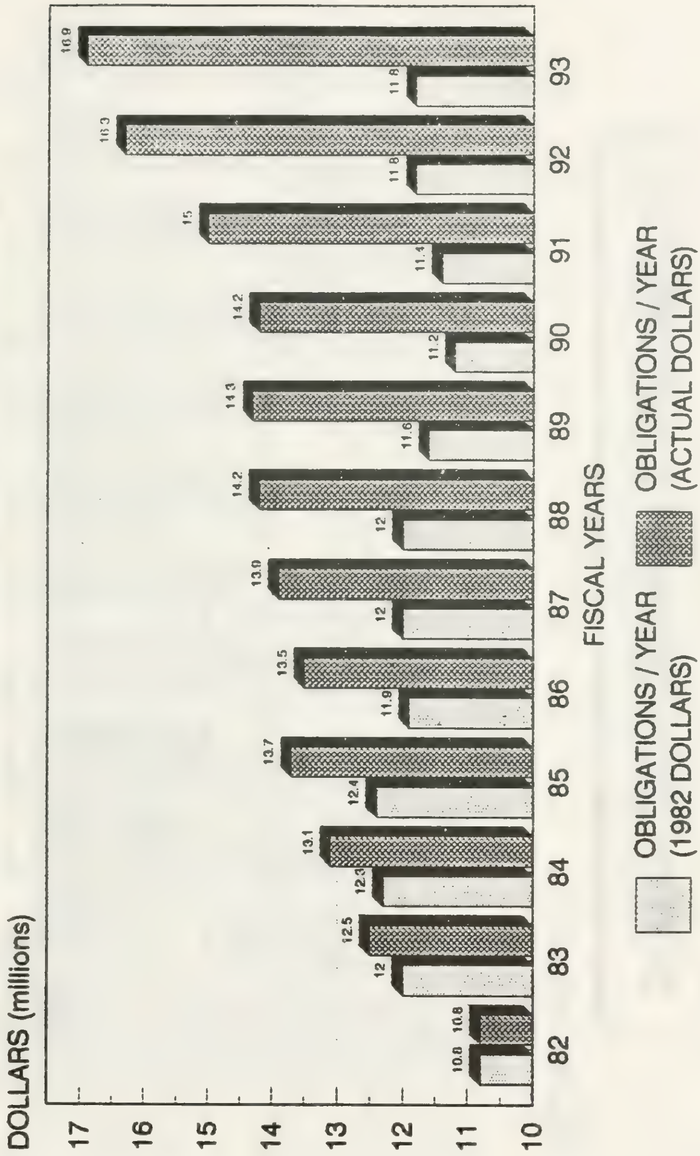
	1993	1994	1995	1996	1997	1998
Obligations:	472	435	446	458	470	482

Description: Routine on-going expenses related to leased telecommunications services, maintenance of ADP equipment and data entry services, if necessary.

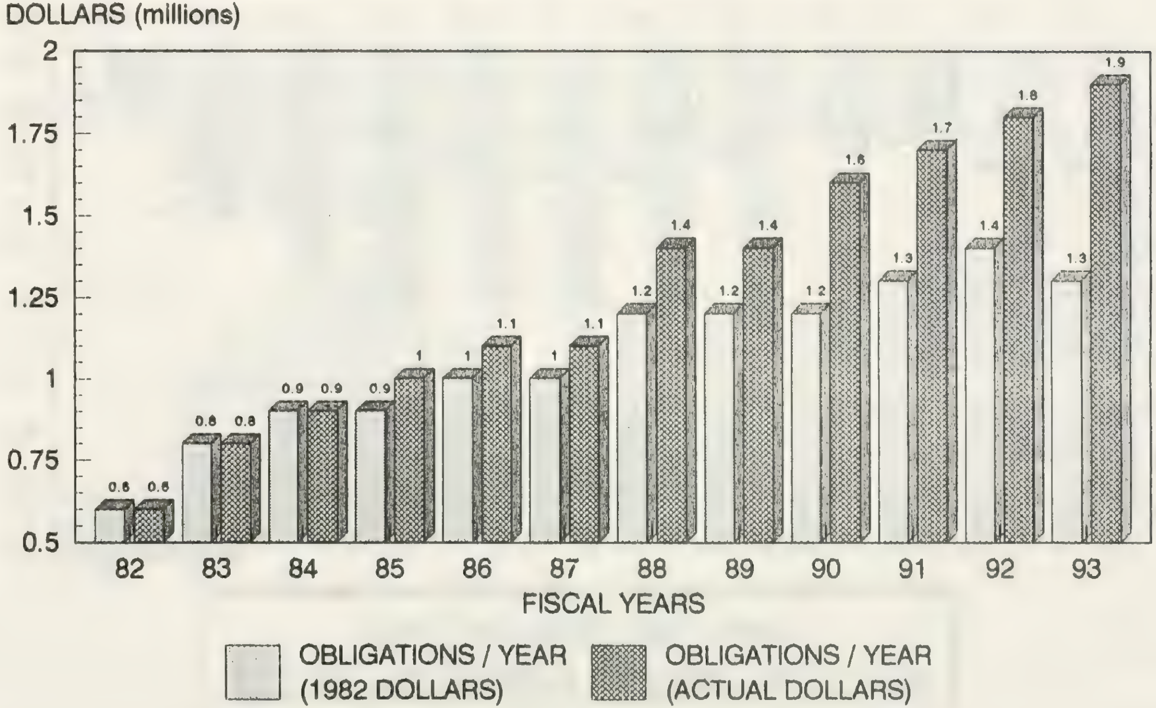
TOTAL BUDGET HISTORY



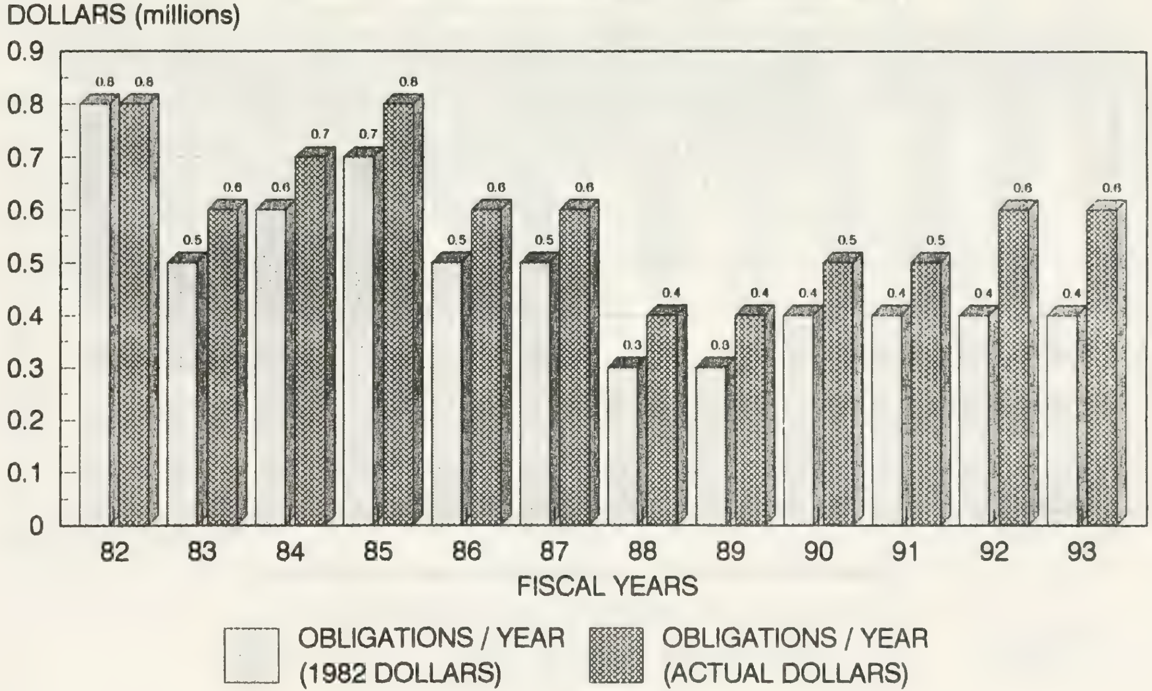
TOTAL PERSONNEL COMPENSATION
CIVILIAN AND MILITARY



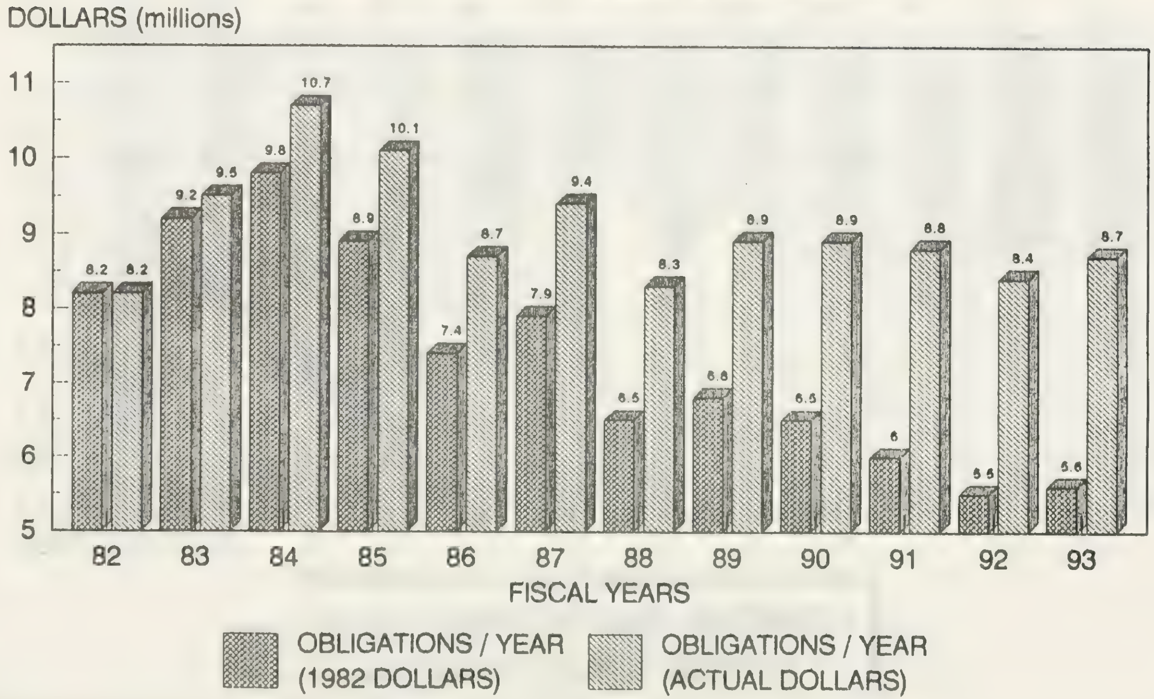
TOTAL PERSONNEL BENEFITS



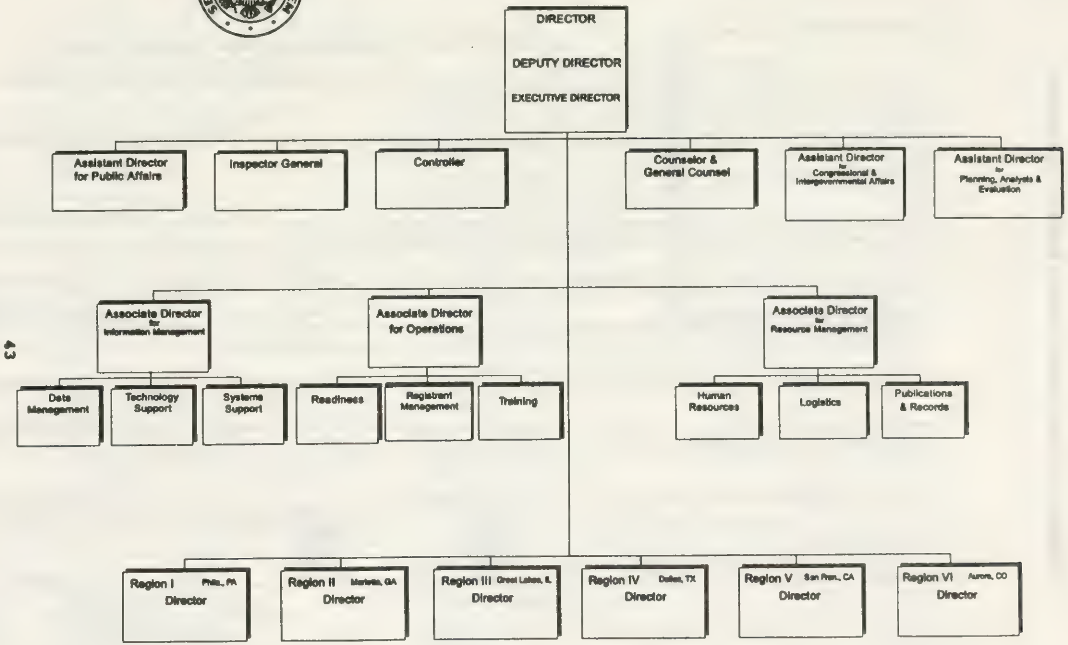
TOTAL TRAVEL COSTS
STAFF AND BOARD MEMBER



OTHER OPERATING EXPENSES EXCLUDING PERSONNEL COSTS

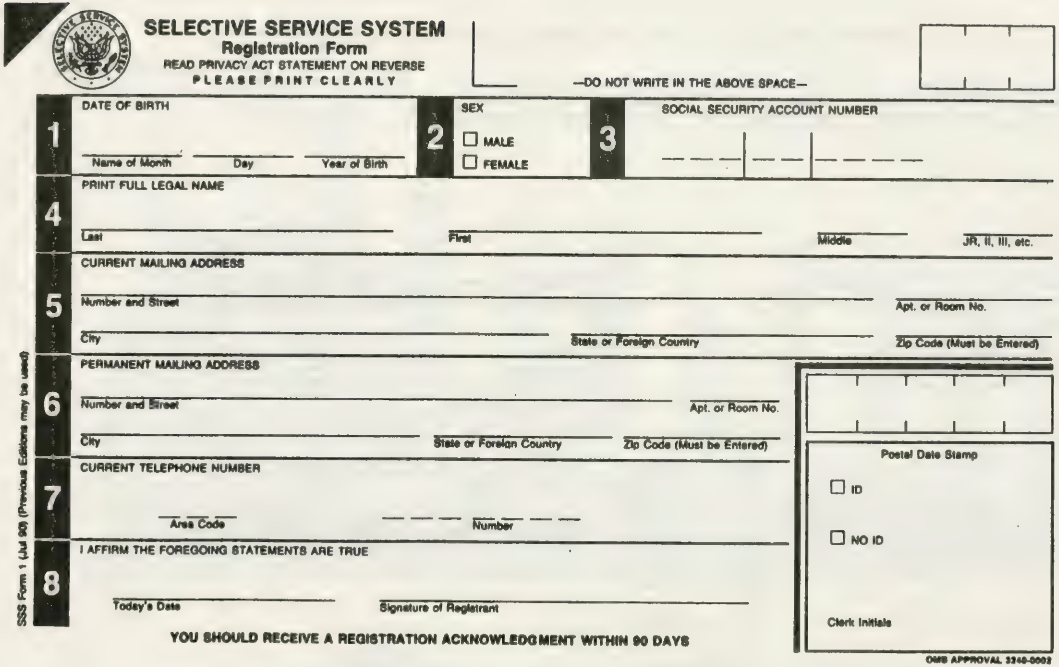


ORGANIZATION CHART


DIRECTOR
DEPUTY DIRECTOR
EXECUTIVE DIRECTOR
Assistant Director for Public Affairs
Inspector General
Controller
Counselor & General Counsel
Assistant Director for Congressional & Intergovernmental Affairs
Assistant Director for Planning, Analysis & Evaluation
Associate Director for Information Management
Data Management
Technology Support
Systems Support
Associate Director for Operations
Readiness
Registrant Management
Training
Associate Director for Resource Management
Human Resources
Logistics
Publications & Records
Region I Phila., PA Director
Region II Marietta, GA Director
Region III Great Lakes, IL Director
Region IV Dallas, TX Director
Region V San Fran., CA Director
Region VI Aurora, CO Director

G. Huntington Banister
Acting Director
DATE: February 17, 1994

REGISTRATION FORM - SSS FORM 1 (FRONT)



SELECTIVE SERVICE SYSTEM
Registration Form
READ PRIVACY ACT STATEMENT ON REVERSE
PLEASE PRINT CLEARLY

—DO NOT WRITE IN THE ABOVE SPACE—

1 DATE OF BIRTH
Name of Month ____ Day ____ Year of Birth ____

2 SEX
☐ MALE
☐ FEMALE

3 SOCIAL SECURITY ACCOUNT NUMBER
_ _ _ | _ _ | _ _ _ _

4 PRINT FULL LEGAL NAME
Last ____ First ____ Middle ____ JR, II, III, etc. ____

5 CURRENT MAILING ADDRESS
Number and Street ____ Apt. or Room No. ____
City ____ State or Foreign Country ____ Zip Code (Must be Entered) ____

6 PERMANENT MAILING ADDRESS
Number and Street ____ Apt. or Room No. ____
City ____ State or Foreign Country ____ Zip Code (Must be Entered) ____

7 CURRENT TELEPHONE NUMBER
Area Code ____ Number ____

8 I AFFIRM THE FOREGOING STATEMENTS ARE TRUE
Today's Date ____ Signature of Registrant ____

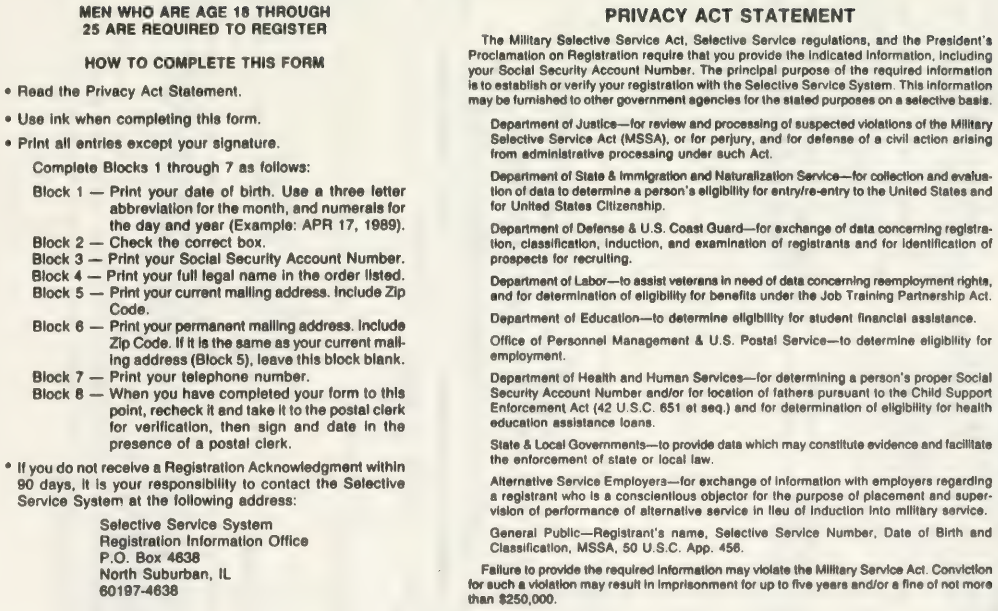
Postal Date Stamp
☐ ID
☐ NO ID
Clerk Initials

YOU SHOULD RECEIVE A REGISTRATION ACKNOWLEDGMENT WITHIN 90 DAYS

SSS Form 1 (Jul 90) (Previous Editions may be used)

OMB APPROVAL 3240-0002

REGISTRATION FORM - SSS FORM 1 (BACK)



MEN WHO ARE AGE 18 THROUGH 25 ARE REQUIRED TO REGISTER

HOW TO COMPLETE THIS FORM

- Read the Privacy Act Statement.
- Use ink when completing this form.
- Print all entries except your signature.

Complete Blocks 1 through 7 as follows:

Block 1 — Print your date of birth. Use a three letter abbreviation for the month, and numerals for the day and year (Example: APR 17, 1989).
Block 2 — Check the correct box.
Block 3 — Print your Social Security Account Number.
Block 4 — Print your full legal name in the order listed.
Block 5 — Print your current mailing address. Include Zip Code.
Block 6 — Print your permanent mailing address. Include Zip Code. If it is the same as your current mailing address (Block 5), leave this block blank.
Block 7 — Print your telephone number.
Block 8 — When you have completed your form to this point, recheck it and take it to the postal clerk for verification, then sign and date in the presence of a postal clerk.

- If you do not receive a Registration Acknowledgment within 90 days, it is your responsibility to contact the Selective Service System at the following address:

Selective Service System
Registration Information Office
P.O. Box 4638
North Suburban, IL
60197-4638

PRIVACY ACT STATEMENT

The Military Selective Service Act, Selective Service regulations, and the President's Proclamation on Registration require that you provide the indicated information, including your Social Security Account Number. The principal purpose of the required information is to establish or verify your registration with the Selective Service System. This information may be furnished to other government agencies for the stated purposes on a selective basis.

Department of Justice—for review and processing of suspected violations of the Military Selective Service Act (MSSA), or for perjury, and for defense of a civil action arising from administrative processing under such Act.

Department of State & Immigration and Naturalization Service—for collection and evaluation of data to determine a person's eligibility for entry/re-entry to the United States and for United States Citizenship.

Department of Defense & U.S. Coast Guard—for exchange of data concerning registration, classification, induction, and examination of registrants and for identification of prospects for recruiting.

Department of Labor—to assist veterans in need of data concerning reemployment rights, and for determination of eligibility for benefits under the Job Training Partnership Act.

Department of Education—to determine eligibility for student financial assistance.

Office of Personnel Management & U.S. Postal Service—to determine eligibility for employment.

Department of Health and Human Services—for determining a person's proper Social Security Account Number and/or for location of fathers pursuant to the Child Support Enforcement Act (42 U.S.C. 651 et seq.) and for determination of eligibility for health education assistance loans.

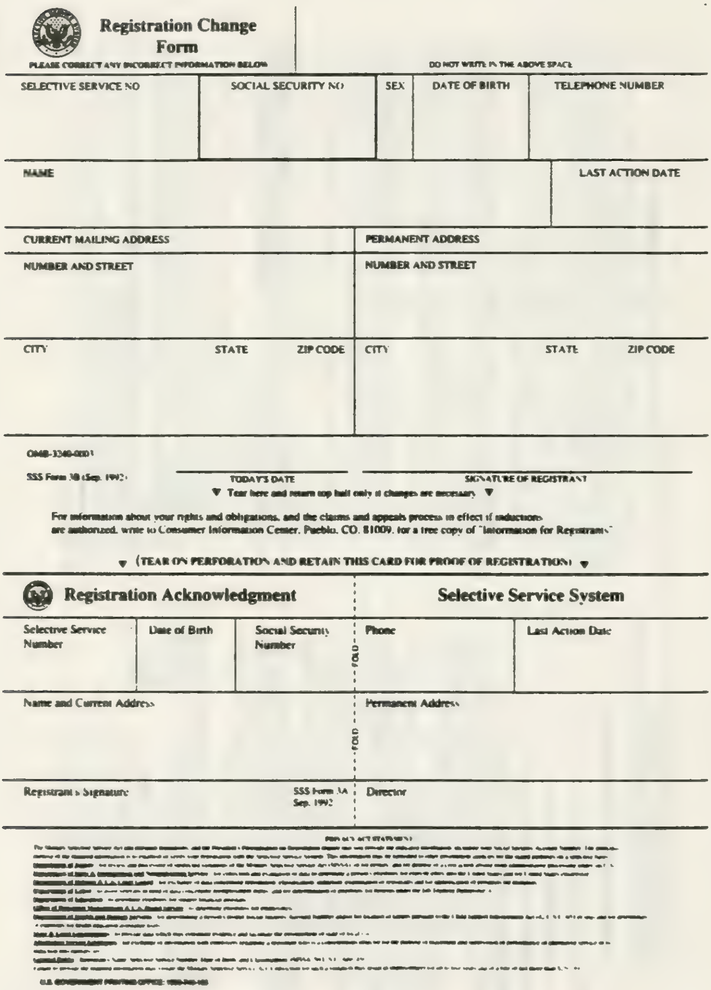
State & Local Governments—to provide data which may constitute evidence and facilitate the enforcement of state or local law.

Alternative Service Employers—for exchange of information with employers regarding a registrant who is a conscientious objector for the purpose of placement and supervision of performance of alternative service in lieu of induction into military service.

General Public—Registrant's name, Selective Service Number, Date of Birth and Classification, MSSA, 50 U.S.C. App. 456.

Failure to provide the required information may violate the Military Service Act. Conviction for such a violation may result in imprisonment for up to five years and/or a fine of not more than $250,000.

ACKNOWLEDGEMENT POSTCARD - SSS FORM 3B (FRONT)



Registration Change Form

PLEASE CORRECT ANY INCORRECT INFORMATION BELOW

DO NOT WRITE IN THE ABOVE SPACE

SELECTIVE SERVICE NO	SOCIAL SECURITY NO	SEX	DATE OF BIRTH	TELEPHONE NUMBER

NAME	LAST ACTION DATE

CURRENT MAILING ADDRESS	PERMANENT ADDRESS
NUMBER AND STREET	NUMBER AND STREET
CITY STATE ZIP CODE	CITY STATE ZIP CODE

OMB-3240-0003

SSS Form 3B (Sep. 1992)

TODAY'S DATE

SIGNATURE OF REGISTRANT

▼ Tear here and return top half only if changes are necessary ▼

For information about your rights and obligations, and the claims and appeals process in effect if inductions are authorized, write to Consumer Information Center, Pueblo, CO. 81009, for a free copy of "Information for Registrants"

▼ (TEAR ON PERFORATION AND RETAIN THIS CARD FOR PROOF OF REGISTRATION) ▼

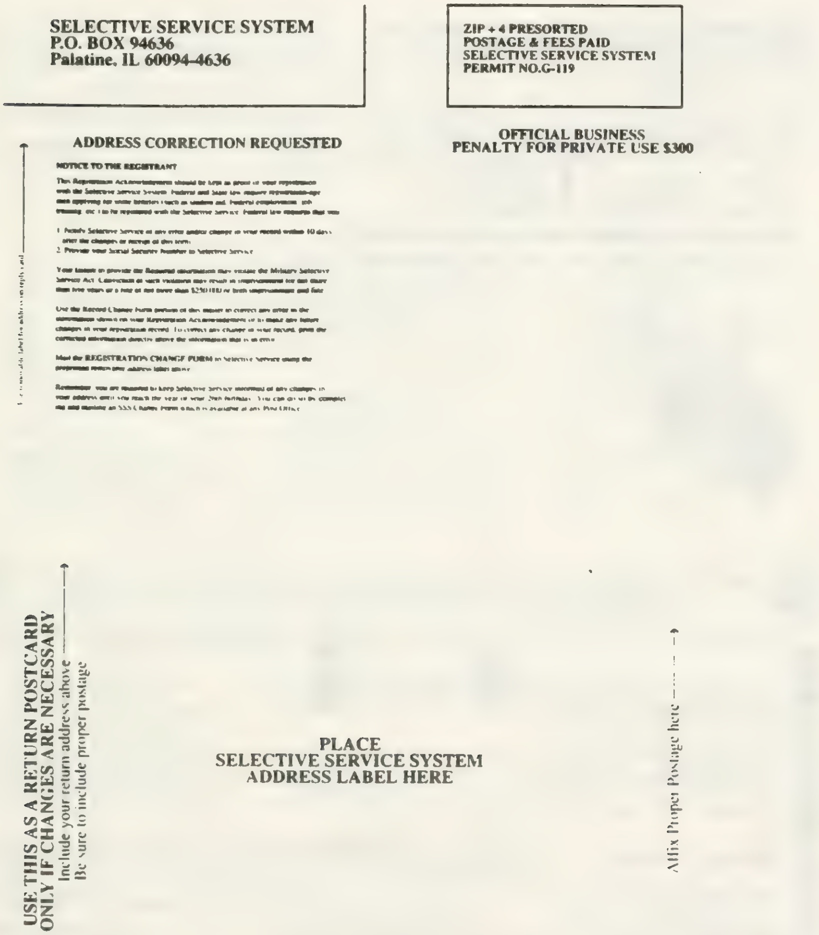
Registration Acknowledgment **Selective Service System**

Selective Service Number	Date of Birth	Social Security Number	Phone	Last Action Date

Name and Current Address	Permanent Address
Registrant's Signature SSS Form 3A Sep. 1992	Director

FOLD

ACKNOWLEDGEMENT POSTCARD - SSS FORM 3B (BACK)



SELECTIVE SERVICE SYSTEM
P.O. BOX 94636
Palatine, IL 60094-4636

ZIP + 4 PRESORTED
POSTAGE & FEES PAID
SELECTIVE SERVICE SYSTEM
PERMIT NO.G-119

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE $300

ADDRESS CORRECTION REQUESTED

NOTICE TO THE REGISTRANT

This Registration Acknowledgement should be kept as proof of your registration with the Selective Service System. Federal and State law require registration-age men applying for [illegible] benefits (such as student aid, Federal employment, job training, etc.) to be registered with the Selective Service. Federal law requires that you:

1. Notify Selective Service of any error and/or change in your record within 10 days after the changes or receipt of this form.
2. Provide your Social Security Number to Selective Service.

Your failure to provide the Required information may violate the Military Selective Service Act. Conviction of such violation may result in imprisonment for not more than five years or a fine of not more than $250,000 or both imprisonment and fine.

Use the Record Change Form portion of this mailer to correct any error in the information shown on your Registration Acknowledgement or to report any future changes in your registration record. To correct any change in your record, print the corrected information directly above the information that is in error.

Mail the **REGISTRATION CHANGE FORM** to Selective Service using the preprinted return [illegible] address label above.

Remember: you are required to keep Selective Service informed of any changes in your address until you reach the year of your 26th birthday. You can do so by completing and mailing an SSS Change Form which is available at any Post Office.

Use removable label for address on reply card

USE THIS AS A RETURN POSTCARD
ONLY IF CHANGES ARE NECESSARY
Include your return address above
Be sure to include proper postage

PLACE
SELECTIVE SERVICE SYSTEM
ADDRESS LABEL HERE

Affix Proper Postage here

REMINDER POSTCARD - SSS FORM 1M (FRONT)

Selective Service System Registration Information Office
P.O. Box 94738, Palatine, IL 60094-4738

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE $300

A reminder to YOUNG MEN!

It's important that you read this message.

SELECTIVE SERVICE SYSTEM

Registration Form

READ PRIVACY ACT STATEMENT
PLEASE PRINT CLEARLY

— DO NOT WRITE IN THE ABOVE SPACE —

1 DATE OF BIRTH
Name of Month — Day — Year of Birth

2 SEX
☐ MALE
☐ FEMALE

3 SOCIAL SECURITY ACCOUNT NUMBER
_ _ _ _ _ _ _ _ _

4 PRINT FULL LEGAL NAME
Last — First — Middle — JR II III etc

5 CURRENT MAILING ADDRESS
Number and Street — Apt or Room No
City — State or Foreign Country — ZIP Code (Must be Entered)

6 PERMANENT MAILING ADDRESS
Number and Street — Apt or Room No
City — State or Foreign Country — ZIP Code (Must be Entered)

7 CURRENT TELEPHONE NUMBER
_ _ _ Area Code — _ _ _ _ _ _ _ Number

8 I AFFIRM THE FOREGOING STATEMENTS ARE TRUE
Today's Date — Signature of Registrant

SSS FORM 1M (SEPT 92)

OMB Approval 3240-0002

REMINDER POSTCARD - SSS FORM 1M (MIDDLE)

Men are required to register with the Selective Service System within 30 days of reaching their 18th birthday.

1. Why it's important to register.

Through registration, our country maintains a list of names and addresses of young men 18 through 25 years of age for use in the event of a mobilization. It is not a resumption of the draft.

2. The potential benefits.

Federal and some State laws require registration-age men applying for certain benefits (such as student financial aid, government employment, and job training) to be registered with Selective Service (except those determined by Selective Service to be exempt from the requirement). In addition to being subject to prosecution, failure to register may cause you to permanently forfeit eligibility for these benefits, as men cannot register after reaching age 26.

3. The potential penalties for not registering.

Young men who are convicted of failure to register may be fined up to $250,000, imprisoned for up to five years, or both.

4. The quick, easy way to comply.

If you have not registered, read this mailer. Then complete, affix proper postage, and mail the attached registration form.

If this mailer doesn't apply to you, please pass it on to a friend or relative who may be required to register.

Act today.
It's quick. It's easy.
And it's the law.

A Registration Reminder:

Men who are age 18 through 25 are required to register if they have not already done so.

1. Within 90 days after registering, you should receive a registration acknowledgment from Selective Service which will provide you with a copy of your registration record. SAFEGUARD THAT DOCUMENT since it will serve as official proof of your registration. If you do not receive a registration acknowledgment within 90 days after registering, it is very important that you write to the address below, or call 708-688-6888 to verify that your registration has been received.

Selective Service System
Registration Information Office
P.O. Box 94636
Palatine, IL 60094-4636

2. Once you register, the law also requires you to keep Selective Service informed of your address changes so mail can reach you without delay. You can inform Selective Service of an address change by writing to the address mentioned in #1, or you may go to any Post Office for a Change-of-Information Form (SSS Form 2), fill it out and mail it free of charge.

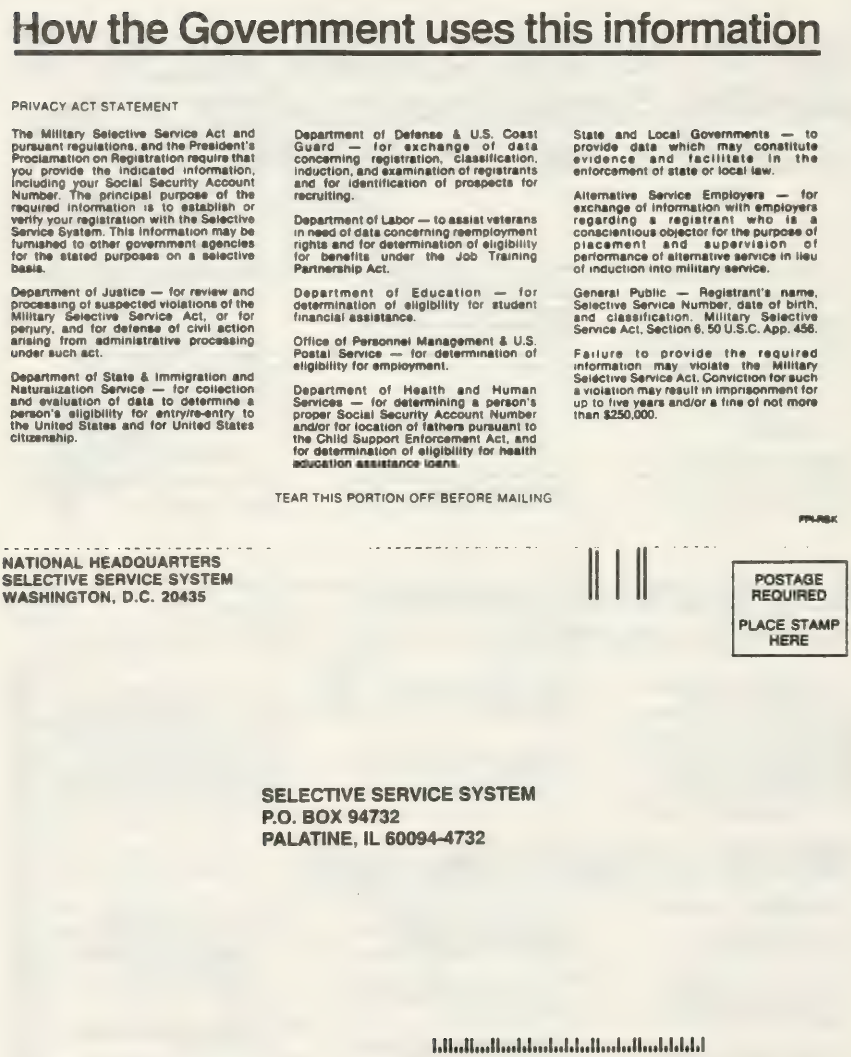
How to complete this form:

1. Read the Privacy Act Statement.
2. Print all entries except your signature clearly in ink.
3. Print your date of birth in Block 1. Use a three-letter abbreviation for the month and numerals for the day and year (Example: OCT 29, 1967).
4. Check the correct box in Block 2.
5. If you have a Social Security Account Number, it is mandatory that you include it in Block 3. Otherwise, leave this block blank.
6. Print your full legal name in Block 4 in the order listed. Include any suffix (II, III, or Jr.).
7. Print your current mailing address in Block 5 and include ZIP Code.
8. Print your permanent mailing address in Block 6 and include ZIP Code. If it is the same as your current mailing address (Block 5), leave this block blank.
9. Print your telephone number in Block 7.
10. Print today's date in Block 8 and sign your name.
11. Tear off the Registration Form from this mailer, affix proper postage, and mail.

TEAR OFF THIS PORTION BEFORE MAILING

II I II

REMINDER POSTCARD - SSS FORM 1M (BACK)



How the Government uses this information

PRIVACY ACT STATEMENT

The Military Selective Service Act and pursuant regulations, and the President's Proclamation on Registration require that you provide the indicated information, including your Social Security Account Number. The principal purpose of the required information is to establish or verify your registration with the Selective Service System. This information may be furnished to other government agencies for the stated purposes on a selective basis.

Department of Justice — for review and processing of suspected violations of the Military Selective Service Act, or for perjury, and for defense of civil action arising from administrative processing under such act.

Department of State & Immigration and Naturalization Service — for collection and evaluation of data to determine a person's eligibility for entry/re-entry to the United States and for United States citizenship.

Department of Defense & U.S. Coast Guard — for exchange of data concerning registration, classification, induction, and examination of registrants and for identification of prospects for recruiting.

Department of Labor — to assist veterans in need of data concerning reemployment rights and for determination of eligibility for benefits under the Job Training Partnership Act.

Department of Education — for determination of eligibility for student financial assistance.

Office of Personnel Management & U.S. Postal Service — for determination of eligibility for employment.

Department of Health and Human Services — for determining a person's proper Social Security Account Number and/or for location of fathers pursuant to the Child Support Enforcement Act, and for determination of eligibility for health education assistance loans.

State and Local Governments — to provide data which may constitute evidence and facilitate in the enforcement of state or local law.

Alternative Service Employers — for exchange of information with employers regarding a registrant who is a conscientious objector for the purpose of placement and supervision of performance of alternative service in lieu of induction into military service.

General Public — Registrant's name, Selective Service Number, date of birth, and classification. Military Selective Service Act, Section 6, 50 U.S.C. App. 456.

Failure to provide the required information may violate the Military Selective Service Act. Conviction for such a violation may result in imprisonment for up to five years and/or a fine of not more than $250,000.

TEAR THIS PORTION OFF BEFORE MAILING

FPI-RBK

NATIONAL HEADQUARTERS
SELECTIVE SERVICE SYSTEM
WASHINGTON, D.C. 20435

POSTAGE
REQUIRED

PLACE STAMP
HERE

SELECTIVE SERVICE SYSTEM
P.O. BOX 94732
PALATINE, IL 60094-4732

SELECTIVE SERVICE SYSTEM
P.O. BOX 94733
PALATINE, IL 60094-4733

United States Government
SELECTIVE SERVICE SYSTEM

January 8, 1982
431-35-6054

45065313R C11

LINDSAY CALVIN   JOHNSON
RT 1 FALL BRANCH RD
BLOUNTVILLE, TN 37617-4413

Dear Mr. JOHNSON:

Our records identify you as a man who may be required to register with Selective Service, but has not done so. You may register, or indicate you are registered, by completing Section A of the enclosed Registration Status Form. If you believe you are not required to register, complete Section B of the form and provide supporting evidence. Please verify and, if necessary, correct all information on the form. Sign and date the form and return it to us in the enclosed envelope within 10 days.

Refusal to register with Selective Service is a Federal crime punishable by a fine and imprisonment. Men who refuse to register may be unable to obtain U.S. citizenship, and are not eligible for certain Federal benefits, such as job training, student financial aid and government employment. Registration protects that eligibility. Our objective is to register you, not to have you prosecuted.

If you need help in completing the form, or have questions about registering, phone us at: 1-708-688-6888.

Sincerely,

G H Bannister
G. H. BANNISTER
Acting Director

Enclosures

COMPLIANCE LETTER C60

SELECTIVE SERVICE SYSTEM
P.O. BOX 94733
PALATINE, IL 60094-4733

United States Government
SELECTIVE SERVICE SYSTEM

January 8, 1982
431-35-6054

45065313R C60

LINDSAY CALVIN JOHNSON
RT 1 FALL BRANCH RD
BLOUNTVILLE, TN 37617-4413

Dear Mr. JOHNSON:

You have ignored our previous letter advising you of the legal requirement to register with Selective Service. You have neither registered, nor offered evidence that you are registered, or that you are exempt from the registration requirement.

If we do not hear from you within 10 days, we will send your name to the Department of Justice and request that you be prosecuted for refusing to register with Selective Service. Your refusal to register is a Federal crime punishable by a fine of up to $250,000 and 5 years imprisonment, or both.

Our objective is to register you, not to have you prosecuted. It is not too late to register, or to inform us that you are already registered. Simply complete Section A of the enclosed Registration Status Form. If you believe you are not required to register, complete Section B of the form and provide supporting evidence.

Remember, if you refuse to register, you may become permanently ineligible for certain Federal benefits, such as job training, student financial aid and government employment, and be ineligible for obtaining U.S. citizenship. Registration protects your eligibility.

Please verify and, if necessary, correct all information on the attached form. Sign and date the form and return it to us in the enclosed envelope within 10 days. If your response is adequate, we will remove your name from our list of suspected nonregistrants. If you need help in completing the form, or have questions about registering, phone us at: 1-708-688-6888.

Sincerely,

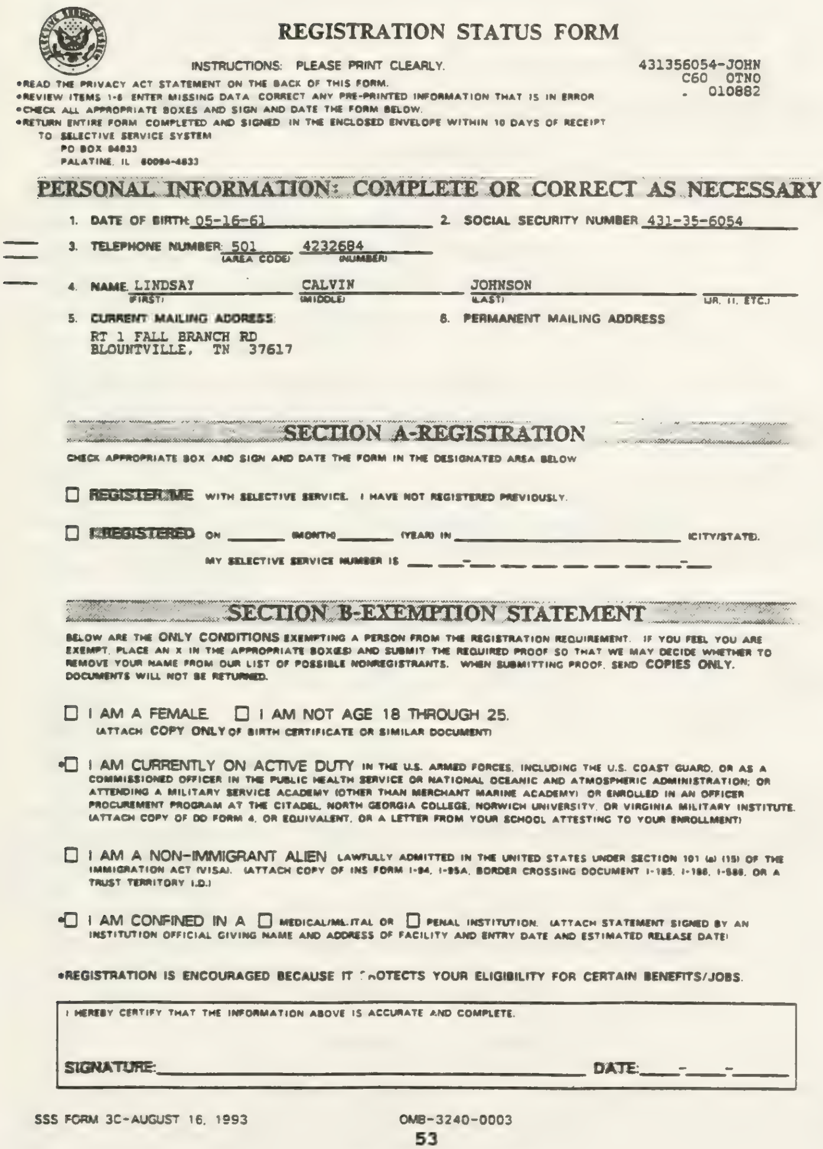
G H Banister

G. HUNTINGTON BANISTER
Acting Director

Enclosures

C60-FEB. 8, 94

REGISTRATION STATUS FORM



REGISTRATION STATUS FORM

INSTRUCTIONS: PLEASE PRINT CLEARLY.

431356054-JOHN
C60 OTNO
. 010882

- •READ THE PRIVACY ACT STATEMENT ON THE BACK OF THIS FORM.
- •REVIEW ITEMS 1-6 ENTER MISSING DATA CORRECT ANY PRE-PRINTED INFORMATION THAT IS IN ERROR
- •CHECK ALL APPROPRIATE BOXES AND SIGN AND DATE THE FORM BELOW.
- •RETURN ENTIRE FORM COMPLETED AND SIGNED IN THE ENCLOSED ENVELOPE WITHIN 10 DAYS OF RECEIPT

TO SELECTIVE SERVICE SYSTEM
PO BOX 94833
PALATINE, IL 60094-4833

PERSONAL INFORMATION: COMPLETE OR CORRECT AS NECESSARY

1. DATE OF BIRTH: 05-16-61
2. SOCIAL SECURITY NUMBER 431-35-6054
3. TELEPHONE NUMBER: 501 (AREA CODE) 4232684 (NUMBER)
4. NAME LINDSAY (FIRST) CALVIN (MIDDLE) JOHNSON (LAST) (JR., II, ETC.)
5. CURRENT MAILING ADDRESS:
RT 1 FALL BRANCH RD
BLOUNTVILLE, TN 37617
6. PERMANENT MAILING ADDRESS

SECTION A-REGISTRATION

CHECK APPROPRIATE BOX AND SIGN AND DATE THE FORM IN THE DESIGNATED AREA BELOW

☐ **REGISTER ME** WITH SELECTIVE SERVICE. I HAVE NOT REGISTERED PREVIOUSLY.

☐ **I REGISTERED** ON ______ (MONTH) ______ (YEAR) IN ________________________ (CITY/STATE).

MY SELECTIVE SERVICE NUMBER IS __ __-__ __ __ __ __ __ __ __-__

SECTION B-EXEMPTION STATEMENT

BELOW ARE THE ONLY CONDITIONS EXEMPTING A PERSON FROM THE REGISTRATION REQUIREMENT. IF YOU FEEL YOU ARE EXEMPT, PLACE AN X IN THE APPROPRIATE BOX(ES) AND SUBMIT THE REQUIRED PROOF SO THAT WE MAY DECIDE WHETHER TO REMOVE YOUR NAME FROM OUR LIST OF POSSIBLE NONREGISTRANTS. WHEN SUBMITTING PROOF, SEND COPIES ONLY. DOCUMENTS WILL NOT BE RETURNED.

☐ I AM A FEMALE. ☐ I AM NOT AGE 18 THROUGH 25.
(ATTACH COPY ONLY OF BIRTH CERTIFICATE OR SIMILAR DOCUMENT)

•☐ I AM CURRENTLY ON ACTIVE DUTY IN THE U.S. ARMED FORCES, INCLUDING THE U.S. COAST GUARD, OR AS A COMMISSIONED OFFICER IN THE PUBLIC HEALTH SERVICE OR NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION; OR ATTENDING A MILITARY SERVICE ACADEMY (OTHER THAN MERCHANT MARINE ACADEMY) OR ENROLLED IN AN OFFICER PROCUREMENT PROGRAM AT THE CITADEL, NORTH GEORGIA COLLEGE, NORWICH UNIVERSITY, OR VIRGINIA MILITARY INSTITUTE. (ATTACH COPY OF DD FORM 4, OR EQUIVALENT, OR A LETTER FROM YOUR SCHOOL ATTESTING TO YOUR ENROLLMENT)

☐ I AM A NON-IMMIGRANT ALIEN LAWFULLY ADMITTED IN THE UNITED STATES UNDER SECTION 101 (a) (15) OF THE IMMIGRATION ACT (VISA). (ATTACH COPY OF INS FORM I-94, I-95A, BORDER CROSSING DOCUMENT I-185, I-186, I-586, OR A TRUST TERRITORY I.D.)

•☐ I AM CONFINED IN A ☐ MEDICAL/MIL.ITAL OR ☐ PENAL INSTITUTION. (ATTACH STATEMENT SIGNED BY AN INSTITUTION OFFICIAL GIVING NAME AND ADDRESS OF FACILITY AND ENTRY DATE AND ESTIMATED RELEASE DATE)

•REGISTRATION IS ENCOURAGED BECAUSE IT PROTECTS YOUR ELIGIBILITY FOR CERTAIN BENEFITS/JOBS.

I HEREBY CERTIFY THAT THE INFORMATION ABOVE IS ACCURATE AND COMPLETE.

SIGNATURE: ________________________ DATE: __-__-____

SSS FORM 3C-AUGUST 16, 1993 OMB-3240-0003

THURSDAY, APRIL 21, 1994.

U.S. CONSUMER PRODUCT SAFETY COMMISSION

WITNESSES

ANN BROWN, CHAIRMAN
MARY SHEILA GALL, VICE CHAIRMAN
JACQUELINE JONES-SMITH, COMMISSIONER
BERTRAM ROBERT COTTINE, EXECUTIVE DIRECTOR
ERIC RUBEL, GENERAL COUNSEL
JOHN BARRETT, EEO OFFICER

Mr. STOKES. The committee will come to order.

We would like to welcome before the subcommittee for the first time this afternoon, Ms. Ann Brown, Chairperson of the Consumer Product Safety Commission.

Ms. Brown, it is a pleasure to welcome you before the subcommittee. We have had the pleasure of knowing some of your associates here before. But this is your first time, and we are pleased to have you before us.

If you would like at this time, please introduce your associates, after which we will place your entire statement in the record, without objection. You may then proceed in any way you would like.

Ms. BROWN. All right. Shall I introduce the other Commissioners?

Mr. STOKES. Yes, would you?

Ms. BROWN. I would be delighted.

This is Commissioner Mary Gall, who I think you know, and Jacqueline Jones-Smith. And I will say that we have had an excellent working relationship. I have been very welcomed by them; and the former Chairman swore me in herself, and it has been very easygoing ever since.

Mr. STOKES. We wouldn't expect anything different.

Ms. BROWN. Well, I just wanted to report on that in case you read anything other in the paper.

Mr. STOKES. Okay. You may proceed any way you like.

OPENING STATEMENT

Ms. BROWN. All right. I am going to submit my statement for the record, but there is—since I have a captive audience, I can't resist speaking a little bit. I will tell you a little bit about myself and my approach to the CPSC as the new Chair.

I am the daughter of a small businessman from Washington, D.C., and I used to go—my father had a small store on F Street here in Washington. I took two buses and a street car down to his store after school. My parents both worked in the store. And that was how—I used to do my homework in the back fitting rooms, and that was how I saw the approach to the consumer, it first piqued my interest.

And he was very careful in treating his customers, and that is one of the ways that I learned that we have to be careful about how we treat our customers as an agency, as well. The customers, the consumers, are important people. And serving on this Commission is the fulfillment of a long dream for me.

I have been a consumer advocate for longer than I would like to say, 20 years. I started a grassroots group in the City of Washington, treating the city as a local jurisdiction with problems that didn't have anything to do with the Federal Government. What did people who live in the city and particularly the inner city need to know and do? And I have carried that over to the CPSC, as well; because I see our vulnerable populations as the people that we most need to protect and take care of—to be a voice for the voiceless, in effect, a civil rights kind of an agency. And that has stemmed from my background both in growing up in the City of Washington and being an advocate for people who live in the city.

And actually how I became interested in product safety originally was that my very young daughter Laura was about to swallow something that looked to her like a delicious piece of strawberry candy. It turned out to be a glue pellet from a paint set. And that made me begin to wonder about whether toys were, in fact, safe. And we were doing price comparisons of toys, the prices of toys in the city and the suburbs, and that is how I got on to that.

BALANCED APPROACH

I plan to adopt a balanced approach to regulation. I favor voluntary compliance and standards whenever possible, but I wouldn't hesitate to recommend strong mandatory action where it is necessary. And I assure you I will do everything possible to enforce the laws.

I want to be action oriented, to achieve pragmatic results in a reasonable amount of time. And I think that we are not only a civil rights agency, but a health protective agency. We can have a lot to do in reducing health care costs. I see us as a preventive health agency, and that is terribly important to me.

You know, we can prevent injuries and death, and particularly our experience, for instance with the Flammable Fabrics Act, demonstrates this. Before this law was passed, an average of 60 children per year burned to death in sleepwear. Now that number is down to less than five.

Well, five is too many as far as I am concerned. Every life is precious, but we really have been able to lower that rate enormously.

A large number of the 93,500 annual deaths resulting from unintentional injury—one-fourth—are related to consumer products. And nonfatal injuries account for one in every six hospital days. So you can see that these injuries that we are seeking to prevent cause huge losses of productivity and avoidable medical costs.

DANGERS OF MARKETPLACE

It is true that the marketplace does not always inform consumers of danger. You know that children will use any product dangerously if they are given half a chance. And so we must fulfill our responsibility to protect the American people from unreasonable risk of injury and death.

A small amount of time—actually, it seemed like a lifetime—elapsed between the time that I was notified I was going to get this position and the time that I finally got it. And I had ample time to prepare myself. And I developed three goals for the Commission. One is that I wanted to be active, an aggressive active guardian of consumer health and safety. And that means to anticipate danger, not to let dead bodies pile up before we figure out what it is that is necessary to do.

I want the Commission to be more visible to the public, and I think you have seen that I have already begun that with several major efforts. You may have seen them, Congressman, on Channel 7 News with Lori Stokes as the anchor.

Mr. STOKES. I watch it sometimes.

Ms. BROWN. Just thought I might see if you were napping.

But we have done some major efforts already—recall of children's crayons with lead in them, which is a particular problem. It gets into vulnerable populations, because parents thought that they were buying a knock-off of the old Crayola, except instead of costing $4.50 a box, one of these cost $1 a box. Only thing is, you didn't get any bargain because you got lead in the crayon when you paid your buck. So this, particularly for the lower socioeconomic levels, was a hard hit.

And so that is the kind of thing that we want to do.

PRODUCT SAFETY TRIANGLE

Never do I just want to go out and warn people, here is what you should do. I think that is a real triple play that we have. It is what your government can do for you, what the industry should be doing as well, and also what people can do to help themselves. And since I want the CPSC to once again become a player and to achieve this, we must bring all the disparate groups into it.

I have already met with the advocacy communities. I am now meeting with all the health and medical associations. In fact, I have talked with Dr. Tracy Walton of the National Medical Association, who has good things to say about the Chairman. And we have had a lot of success already—as I told you, about lead in crayons—recalling bunk beds, and the poison prevention center, I have testified about that and done a lot of work on, including giving an award to Procter & Gamble, who have a senior-friendly, child-resistant cap.

COMMENDATION TO BUSINESS

I want to encourage, just as my mother said, to encourage good behavior; I want to encourage good consumer behavior, and that award, the Chairman's Commendation, has been already started. And we are Reinventing Government over there; we should be a little jewel because we certainly support and want to be a part of the reform effort initiated by Vice President Gore in Reinventing Government.

Now, to get down to some of the hard facts and figures of it. The initial OMB mark for the Commission last fall was $39.2 million. When I learned this and found out that this amount would require a substantial RIF in employees, I contacted some people at OMB and persuaded them to increase the budget by $1 million, thereby avoiding a damaging RIF.

A RIF would have been disaster. It is always sad to try and get rid of people from the humane point of view. It would have been costly—we wouldn't have gotten anything done. And I am very grateful for this support and the demonstration of confidence in me and in the Agency by OMB.

This Commission is an important national resource which delivers important economic and social benefits to the American people which far exceeds its cost. For instance, the Commission's recent rule on child-resistant cigarette lighters, that means a little kid won't be able to flick these on, will save the Nation $300 million in medical costs, property damage and related losses, in addition to children's lives.

In fact, take it from a person who is a good discount shopper; we are the best buy in town. There is no doubt, for the money, we get a lot.

BUDGETARY RESTRICTIONS

I have served as Chair only for a month, but it is very apparent to me that the proposed budget will really seriously restrict our ability to carry out our central mission. It contains a double hit, because it cuts both our funds and our staff. And if the subcommittee appropriates only this amount, of course, we will do our best with it, and we will protect the public. But you should realize that at this level we will lose both vital contract support in compliance and in hazard reduction, and we will be unable to obtain necessary improvements in our key hazard identification databases and employee training.

Frankly, every day I am frustrated because when I come to the Commission I see how much more we could accomplish with just a little bit of money. I know the Commission must make a contribution to the reduction in the total Federal employment. I can accept, and do accept, the loss of the 31 FTEs, but I want to stress that every dollar invested in the Commission is a return over and over in prevented deaths, injuries and medical costs and property costs.

CLOSE RELATIONSHIP WITH CONGRESS

In closing, I want to tell you that I know there has not always been a close relationship between this Commission and the Congress. But as Chair, I will consult frequently with this and other relevant committees to assure that the Commission carries out its Congressionally established policies. I welcome congressional oversight and look forward to working with you to achieve the goals of this agency.

I thank you, and I and my staff and the other Commissioners will be glad to answer any questions you have.

[The information follows:]

UNITED STATES
CONSUMER PRODUCT SAFETY COMMISSION
WASHINGTON, D.C. 20207

The Chairman

ANN BROWN

Biographical Sketch

Ann Brown became Chairman of the U.S. Consumer Product Safety Commission (CPSC) on March 10, 1994. She was nominated by President Clinton and confirmed by the U.S. Senate as a Commissioner and the seventh Chairman of CPSC.

For more than two decades prior to her appointment, Mrs. Brown was a leader in consumer rights' activities. She has worked with many civic, cultural, religious, and special-interest groups and has spearheaded a number of product safety initiatives. Prior to becoming CPSC Chairman, Mrs. Brown was Vice President of the Consumer Federation of America (CFA) for nearly 15 years; and, since 1983, Chairman of the Board of Public Voice, a consumer advocacy group focused on improving health and nutrition.

In addition, between 1972 and 1994, Mrs. Brown was the national and local Chairman of the Consumer Affairs Committee of Americans for Democratic Action. During that time, she directed several nationally recognized product safety studies and price surveys, including the *Toy & Children's Products Quality, Safety and Price Survey*, an annual update on unsafe toys that has helped consumers become safety-conscious shoppers. Since 1991, Mrs. Brown has been a member of the Institute for Injury Reduction, which has continued the toy and children's products safety survey. Mrs. Brown has also been an active member of the Coalition for Consumer Health and Safety. She played a major role in launching the Washington, D.C. Consumer Protection Office and served as Chairman of its advisory board.

Mrs. Brown is a long-time Washingtonian. In 1989, she was named "Washingtonian of the Year" by *Washingtonian* magazine. Other honors include: a merit award from the Washington, D.C. City Council for protecting Washington, D.C. consumers, and *Member of the Year* award for Consumer Activism from Americans for Democratic Action. She is listed in *Who's Who of Southern American Women.* Mrs. Brown attended Smith College from 1955 to 1958 and received a B.A. in 1959 from The George Washington University.

She is married to Donald Brown, an attorney, who has been a professor at the Harvard Business School. They have been married for 35 years. They have two children, Cathy, 32, and Laura, 29, and three grandchildren, ages 11, 8, and 6. Mrs. Brown is an avid tennis player and moviegoer.

For Additional Information, call: Office of Information & Public Affairs, (301) 504-0580.

U.S. CONSUMER PRODUCT SAFETY COMMISSION
WASHINGTON, D.C. 20207

MARY SHEILA GALL

BIOGRAPHICAL SKETCH

President Bush nominated Mary Sheila Gall as a Commissioner of the Consumer Product Safety Commission in July, 1991. The Senate confirmed Ms. Gall in November, 1991 and she was sworn in for a seven-year term on December 9, 1991.

Commissioner Gall served as Assistant Secretary of the U.S. Department of Health and Human Services (HHS) where she administered the division serving children, youth, families, people with disabilities, the elderly and Native Americans (1989-1991).

Prior to her appointment as Assistant Secretary at HHS, Ms. Gall served as Counselor to the Director, Office of Personnel Management (1986-1989). She worked directly with the White House Cabinet Council, other federal agencies, federal labor unions and public interest organizations on the subject of managing the federal civil service (3.5 million employees). A single adoptive parent, she was selected by President Reagan to chair the President's Task Force on Adoption.

From 1981 to 1986, Ms. Gall served at the White House as Deputy Policy Advisor to then Vice President Bush. Ms. Gall participated in the President's Cabinet Council meetings, travelled extensively with the Vice President and contributed to the development and implementation of the President's domestic policy agenda. Prior to her White House service, Ms. Gall worked as a senior legislative analyst, a consultant to the Reagan-Bush Presidential Campaign and the transition team (1980-1981), and director of research in the George Bush for President Campaign during 1979-1980. During 1971-1979, she served in various legislative positions on the staffs of several members of the Senate and House Representatives (Sen. James Buckley, New York; Rep. Jack Kemp, New York; and Rep. Tom Coleman, Missouri).

Ms. Gall graduated in 1971 from Rosary Hill College in Buffalo, New York. She has received a number of distinguished service awards in recognition of her leadership in service to children.

U.S. CONSUMER PRODUCT SAFETY COMMISSION
WASHINGTON, D.C. 20207

JACQUELINE JONES-SMITH

Biographical Sketch

Jacqueline Jones-Smith was appointed to the Consumer Product Safety Commission after nomination by the President and confirmation by the Senate. Mrs. Jones-Smith served as sixth Chairman in the Commission's history from her appointment in November 1989 until March 1994. She continues to serve as a Commissioner of the agency.

During her tenure as Chairman, Mrs. Jones-Smith was instrumental in securing the Commission's first congressional reauthorization in almost 10 years, obtaining a 22 percent funding increase for the agency and implementing a long range plan which has as its cornerstone "risk-based decision making".

Under her leadership, the Commission has issued a standard for child resistant cigarette lighters, which has the potential to save more lives than any standard issued in the agency's 20 year history; coordinated voluntary standards with industry on a number of products including safety innovations such as carbon monoxide detectors and ground fault circuit interrupters (GFCI); and recalled more than 100 million products that failed to comply with regulations or presented substantial hazards to consumers. In the area of child safety, Mrs. Jones-Smith led successful efforts to ban infant cushions involved in the deaths of several children, increase the number of homes with working smoke detectors and encourage manufacturers and retailers of toys and children's products to "sell safety" through educational marketing campaigns.

As an attorney with the Federal Election Commission, Mrs. Jones-Smith litigated before the U.S. appellate courts. Her work in the legal profession began with the Montgomery County Attorney's Office as an Assistant County Attorney. Mrs. Jones-Smith was also associated with the MAXIMA Corporation.

Mrs. Jones-Smith's education includes a law degree from American University and a master's degree in library science from Syracuse University. She was graduated from Swarthmore College with a bachelor of arts degree on a four-year academic scholarship in 1974. Mrs. Jones-Smith is a native of New York, and was raised in the Bronx and Philadelphia, Pennsylvania where she attended public schools.

Mrs. Jones-Smith is a member of the American Bar Association, the National Bar Association and the Maryland State Bar Association. Mrs. Jones-Smith and her husband, Joshua Smith reside in Rockville, Maryland. She has a stepson, Joshua II.

STATEMENT OF ANN BROWN

CHAIRMAN

U.S. CONSUMER PRODUCT SAFETY COMMISSION

SUBMITTED TO THE

SUBCOMMITTEE ON VA,

HUD-INDEPENDENT AGENCIES

COMMITTEE ON APPROPRIATIONS

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, D.C.

APRIL 21, 1994

STATEMENT OF ANN BROWN
CHAIRMAN
CONSUMER PRODUCT SAFETY COMMISSION

Appropriations Testimony

Mr. Chairman and members of the subcommittee, since this is my first appearance before you, I want to begin by telling you a bit about myself and my approach to the position of chair of the CPSC.

I am the daughter of a small businessman from Washington, D.C. My father owned a ladies' clothing store, and I did my homework after school in the back fitting room.

My views of business and the consumer were shaped at that store. My father -- in fact, both my father and my mother -- taught me that respect for the consumer is the basis of a good business relationship.

Serving on the Consumer Product Safety Commission is the fulfillment of a long career in consumer protection and product safety. I have been active in consumer organizations for more than 20 years, with a special interest in product safety. I initiated the nationally recognized Toy Price and Quality Report, which was designed to assist inner-city consumers in finding the best prices and safe toys at Christmas time.

A still vivid personal incident stimulated my involvement in the field. My very young daughter was about to swallow something that looked to her like a delicious piece of strawberry or cherry candy. It wasn't candy. It was a bright red glue pellet.

As chair, I will adopt a balanced approach to regulation, favoring voluntary compliance and standards wherever possible. On the other hand, I will not hesitate to recommend strong, mandatory action where necessary to protect the public. I will, I assure you, do everything in my power to enforce the laws under the Commission's jurisdiction.

I will be action oriented, to achieve the most pragmatic results within a reasonable time. I also believe the Commission should target its efforts to the most vulnerable in our society -- children, the elderly, low income, inner city residents and those with special handicaps. Focusing on these groups can improve their health and safety, which will produce economic and social dividends for the Nation.

I believe effective regulation has a vital role in protecting American consumers. The Commission's experience with the Flammable Fabrics Act demonstrates this point. Before the law was passed, an average of 60 children per year burned to death in sleepwear. Now that number is less than five.

The need continues for strong enforcement of the five consumer protection statutes within the Commission's jurisdiction. Of the estimated 93,500 annual deaths resulting from unintentional injury 21,600, or nearly one-fourth, are related to consumer products within the agency's purview. In addition, 28.5 million injuries yearly result from consumer product use. Non-fatal injuries account for one in every six hospital days. These injuries cause huge losses of productivity and avoidable medical care costs. Injuries, deaths, and property damage associated with consumer products cost the public about $150 billion annually.

Unfortunately, it is still true that the marketplace does not always inform consumers of the dangers in certain products and that some products do have hidden hazards. We all know that seemingly innocent and innocuous products can cause death and injury to children and others. If a product can be used dangerously, a child will find the way to do so.

The Commission can fulfill its responsibility to protect the American people from unreasonable risk of death and injury from consumer products without becoming overly invasive. The Commission cannot and should not attempt to protect consumers from every possible risk of injury from consumer products. There are limits to what government regulation can achieve.

Mr. Chairman, several months elapsed between my nomination and confirmation, so I had ample time to prepare for this position. During that period I developed three goals for the Commission during my term.

First, I want the CPSC to be an active, aggressive guardian of consumer health and safety. We will not wait for deaths and injuries to pile up by the score before we act. We will reach out to prevent as many of these tragedies as we reasonably can. Hopefully, this will be done voluntarily, with cooperation of the affected industries. But, if not, then it will be done promptly through mandatory action.

Second, I want the Commission to be more visible to the public. I plan to put more emphasis on results and less on the agency's processes, so that the American people will recognize the CPSC as a potent guardian of consumer product safety. At the same time I want to make the Commission more user-friendly. When people in trouble call us, whether they speak English or Spanish, I want the staff to respond promptly and effectively. The American people are our customers and I learned at my father's dress store that if we are going to be successful we must satisfy our customers!

Third, I want the CPSC to once again become a "player" in the major issues that affect the nation. With our knowledge and experience, I believe we can make a valuable contribution to the current health care debate. We can also play an important role in the discussion of product liability reform. We have a wealth of information on thousands of consumer products.

In order to achieve this status we must work more closely with other Federal and State agencies that share our goal of a more safe and healthy America, with Universities, and with business and consumer groups that have a vital stake in our actions.

Mr. Chairman, I recognize the objectives I have set forth today must be accomplished within a limited budget. The Commission should be part of the reform effort initiated by Vice President Gore in his report "Reinventing Government." I fully support the principles enunciated by the Vice President.

As you may know, the initial OMB mark for the Commission last fall was $39.2 million. When I learned this, and then found out that this amount would require a substantial RIF of employees, I contacted the appropriate officials at OMB and persuaded them to increase the budget by $1 million, thereby avoiding a damaging RIF. I am very grateful for this support and demonstration of confidence in me and in the agency.

The Commission is an important national resource which delivers economic and social benefits to the American people which far exceed its cost. For example, the Commission's recent rule on child resistant cigarette lighters will save the nation

$300 million in medical costs, property damage and related losses.

I have served as chair for only a few weeks, but it is already apparent to me that the proposed budget will seriously restrict our ability to carry out our essential mission. It contains a double hit, for it cuts both our funds and staff. If the subcommittee appropriates only this amount, of course, we will do our best with it. But you should recognize that at this level we will lose vital contract support in both compliance and hazard reduction, and we will be unable to obtain necessary improvements in our key hazard identification databases and employee training.

Frankly, I am frustrated everyday when I come to the Commission because I see how much more we could accomplish with just a bit more money. I know the Commission must make a . contribution to the reduction in total Federal employment. I can accept the loss of 31 FTEs, but I want to stress that every dollar invested in the Commission is returned many times over in reduced deaths, injuries, medical costs and property losses.

In closing Mr. Chairman, I want to tell you I know that in the past there has not always been a close relationship between the Commission and the Congress. As chair, I will consult frequently with this and other relevant Committees to assure that the Commission is carrying out Congressionally established policies effectively. I welcome Congressional oversight and look forward to working with you to achieve the goals of this agency.

The other Commissioners and I and our staff will be glad to answer any questions you may have.

Mr. STOKES. Thank you very much, Mrs. Brown. We appreciate your statement.

In the justification and also in your opening remarks you mentioned that at a funding level of $40.2 million, the Commission will lose vital contract support in both compliance and hazard reduction, and that you will be unable to obtain necessary improvements in your key hazard identification databases and employee training.

Ms. BROWN. Right.

Mr. STOKES. Explain the reason for this.

LOSS OF CONTRACT SUPPORT

Ms. BROWN. Tom, would you like to help with that? I have my wonderful staff here to help give you the answer.

Ms. JONES-SMITH. Madam Chair, if you please, could I elaborate on this?

Ms. BROWN. Sure.

Ms. JONES-SMITH. Generally, we would see $2 million less in the Agency's funding level than our current level. As a result, 31 full-time equivalents and 81 percent of hazard contract testing funds are going to be eliminated, 100 percent of laboratory support, 100 percent of State and local assistance funds, 100 percent of automation funds.

What that actually means in program impact is reduced testing of hazardous products; meaning any kind of tests including specialized testing for the recall of a specific electrical product, or maybe some analysis of a chemical would not be done. Reduced enforcement activities, corrective actions, recalls, reduced investigations of product-related accidents would also likely occur.

We would have to eliminate work on a unified hazard database. We would have to slow down the detection of death and injury patterns and the identification of solutions. And we would essentially block any of the Agency's participation in Vice President Gore's Reinventing Government and Information Highway initiatives.

What that means, specifically, for the consumer is that 125 potential deaths and more than 17,000 potential injuries are not going to be addressed. And that is a conservative estimate. Six million hazardously defective or dangerously noncompliant products are going to remain in the marketplace, and it is going to be slower getting them off.

We may see increased injury and death reduction potentials from fire, electrical hazards, choking hazards. And the bottom line, as a result of all that, we are going to see increased hospital and emergency room costs. If you can't prevent injuries, you are going to see more people in the hospitals.

Mr. STOKES. Thank you.

Ms. JONES-SMITH. Thank you, Madam Chair.

Ms. BROWN. Thank you.

Mr. STOKES. Ms. Brown, recognizing that you were appointed as Chairperson after the budget for fiscal year 1995 was prepared, your statement mentioned that you were frustrated because you could accomplish a great deal more with just a little bit more money.

Can you tell us specifically, what new initiatives you have in mind and whether there are some initiatives you would like to pursue which would make a significant difference in your work?

DATA INITIATIVE

Ms. BROWN. Well, $2 million would be needed to operate the Commission at its 1994 service level. That would be very important. But for 1995, I have an idea which the staff has costed out for me for an initiative which would cost $700,000. That would get us up to the $43 million level, and my project would be a very specific buy. It would be just as if you went into Woodie's and you bought a dress for $89.95; you would know exactly what you were getting, and this is what you would be getting.

We have a problem with data. We are an agency that is driven by data. And we have a problem getting the death reports in a timely manner. The earlier that we get death data, the earlier we can reduce hazards and produce savings for the Nation. Time is money and lives saved.

CPSC now only identifies 5,000 or less than a quarter of the 21,500 product-related deaths. So we need this information much more quickly. And sometimes, on an average, we don't get these reports of the death for six months. Sometimes these reports are as old as 18 months. I don't have to tell you, by this time they are getting a little dusty.

And so we need to get these reports quickly; we need to get detailed on-site investigations. Less than 25 percent of our death investigations right now are done on site. For $700,000, the Congress could increase the number of reports received, reduce the delay in reporting, and increase the number of detailed, on-site investigations by investigators. We would get additional reports of product-related death, faster reporting, trained CPSC investigators in on the investigations; and we could substitute contractors for the CPSC staff in conducting telephone screening, so we could free up the staff for other things.

This $700,000 would be a small investment compared to the many millions that the faster and more detailed investigations would save. That would then give us an idea, with the analysis, of just where the problems are, what are the products that are killing our people. We are talking about deaths now, not injuries.

Mr. STOKES. Last year the committee was concerned about the Commission's current organizational structure. Specifically, the structure appeared to cause confusion and a lack of clear accountability.

The Commission was considering options for reorganization last year with the goal of selecting an organizational structure that best promotes the goal of efficient, risk-based decision-making by the beginning of fiscal year 1994.

Can you tell us what progress has been made regarding the organizational structure?

ORGANIZATIONAL STRUCTURE

Ms. BROWN. Yes, I would like Bert Cottine, our Executive Director, to speak to that.

Mr. COTTINE. Mr. Chairman, we have done several things in five weeks. You are quite correct, it has been my frustration, as well as the Chair's, that locating the key person on any decision-making project is critical. On the other hand, it also would be very easy to jump in and say we are going to reorganize along a model that we would like best.

Instead, we have been looking at the structure and looking at what has been studied in the past to come up with an accurate plan to re-structure, where necessary, our resources so that they fit along the lines of the hazards; for example, children's hazards or other problems. All in all, we are putting together a structure that doesn't put the Agency through the pain and grief of a massive reorganization, but at the same time puts our resources where they need to be, whether they are in the field in terms of compliance officers or whether they are in headquarters in terms of the types of things that need to be done.

That effort is under way, and I think we can fairly assure the committee that the restructuring will be done sensitive to making the Agency work better, to making it cost less, so that we are satisfying the National Performance Review that the Vice President set out.

Mr. STOKES. Thank you.

HEALTH CARE

Madam Chair, in your opening statement you stated that with CPSC's knowledge and experience, you believe the Agency can make a valuable contribution to the current health care debate. Tell us what form of contribution you believe the Agency will be able to make to the health care debate.

Ms. BROWN. Well, I think that what we are is a preventive health care agency. When you hear the Administration talk about the expense of health care and the expense of universal health care coverage, I think that what we can do is, we can reduce that expense.

Every injury that winds up in a hospital emergency room, starting with the ambulance and going through having to take care of a child who has a bike injury and goes through for lifetime support. If we can prevent that injury we are lowering health care costs. And that is why I see our role as so important.

And we have very specific data on that that I can get you, Mr. Chairman, for individual product lines that show just how much we can save in health care costs. That is our contribution to the health care debate.

TARGET THE MOST VULNERABLE

Mr. STOKES. Give us some idea of what you are talking about when you say that the Commission should target its efforts to the most vulnerable of our society; children, elderly, low-income, inner-city residents, those with special handicaps. Can you tell us what form of outreach you are planning to implement in fiscal year 1995 which will educate this diverse group of consumers?

Ms. BROWN. Well, it would really be more than just education, because outreach and information education are important, but I think we also have to protect people so that they don't always have to be doing things for themselves. I think that is terribly important.

Now, part of that, part of what we can do in targeting is that we will be operating in an era of limited resources, so we can't do everything. So when we go to select the specific target projects that we want to carry out, we have to keep our target populations in mind. And that would be very important.

For instance, if we were doing things about fires, fires hit the elderly, the inner city and children. That would be a specific subject that would cover all three groups. Another project we are very interested in is the child-resistant caps that are senior friendly at the same time, and also possible for people with handicaps to open and use. That would be a particular project of interest, in getting those on to the market, because that would affect all three groups of people. There is the five-gallon-bucket issue, where you have almost a child a week drowning in a five gallon bucket. This particularly happens in lower socioeconomic areas, many in the Hispanic community.

So this would be something that if we could come up with a fix, it might be possible, after looking at all the information, to actually do something for people so they wouldn't have a problem. And that is the way I see us doing things.

We are now translating some of our pamphlets into English, Spanish, Vietnamese, Chinese. We are now having a Spanish-speaking operator, we are redoing our 1–800 line and having it so there is a Spanish operator as well, and a celebrity voice that will be on the recording that will be very amenable to everybody.

The point is that there is lots of information and education that we can do, but we want the product lines that we work on to also reflect this concern.

And I know Ms. Gall has something on this.

OUTREACH

Ms. GALL. If I may add, Mr. Chairman, one of the sad things for me, as I look at the 1995 budget proposal, is that we would have to specifically eliminate, because of the funding crunch, our vulnerable populations project that we had put together.

The Chairman has mentioned a number of things that we are doing as an agency, but in terms of developing stronger outreach and going into specific communities and our State and local contracts and the kinds of things that we could do, all of that is going to be lost because we won't be able to fund that particular project.

It is something that is of personal interest to me. I think there is much that can be done with other government agencies. There is much that can be done on the local level.

For example, you know in your district, if you approach people through the local churches and social service delivery systems, the outreach workers and so on, you get a bigger bang for the buck when it comes to passing along that kind of information.

Those are the kinds of things we would like to do, but we just don't have the money to do them under the budget as it exists right now. So we are here to ask for more money. I am being blunt about it; I will come right out and say it.

Mr. STOKES. What took so long? You wanted to warm me up.

Ms. GALL. Well, she is very polite and politic, and I am going to say if you don't give it to us, we are going to have to pass a tin cup on the street.

Mr. STOKES. Have you completed everything you wanted to say on this issue?

SUGGESTED APPROPRIATION

Ms. BROWN. Yes. I just wanted to really clarify, since one of our Commissioners has cut to the quick, about what sort of figures I was talking about.

Specifically, if we got an extra $2 million, that would bring us to our 1994 level of 42.3. And then if we got the $700,000 initiative, that would bring us to $43 million. And those were the specific figures that I was talking about, so that it wouldn't be confusing in any way.

Mr. STOKES. What was your request of OMB?

Ms. JONES-SMITH. It was $44.2 million.

Ms. BROWN. And then, as I say, they gave us 39.2, I think; and we got another million back. So it went up to 40.2.

So we are well below the 1994 level, $2 million below our 1994 level. If we were back to our 1994 level, it would still be—in real dollars—taking a cut.

Mr. STOKES. I assume you told OMB all that?

Ms. BROWN. Oh, yes.

Ms. GALL. Yes, repeated loudly and clearly.

Ms. BROWN. They told them loudly and clearly, and I told them politely and nicely.

Ms. GALL. That is right. But she is the Clinton appointee, so she has to be nice.

Ms. BROWN. You have seen through our plan, so we may as well not be cut.

Mr. STOKES. It was hard to discern.

Ms. BROWN. You are a clever fellow.

LOW INCOME CONSUMERS

Mr. STOKES. Has CPSC conducted surveys or studies which would provide insight into the reason why low-income and inner-city residents may not be aware of the various product liabilities?

Ms. BROWN. I don't know about that. I don't know the answer.

Ms. JONES-SMITH. I don't recall, Chairman Stokes. I don't recall if we have done any studies of that type, primarily because they are costly. Generally, we know anecdotally that many people in the inner city may be non-English-speaking foreigners, so they don't have access to the English-speaking media. That is one of the reasons why the Commission has at least tried to branch out into other languages.

Also, many individuals in low-income or inner-city neighborhoods may be more electronically media oriented as opposed to print oriented, so the Commission has tried to change its focus to dealing more in the electronic media. However, as you know, electronic media is very expensive, and so we have had difficulties there.

Also, we have a population where these individuals are not apt to buy new products. They keep products, older products for longer periods of time. So any kind of improvements that have been made in product lines over time through, say, industry upgrades, et cetera, new safety features, are usually not incorporated into those homes. They are usually in older homes, so you don't see ground fault circuit interrupters.

Many of the new codes, for example, have required ground fault circuit interrupters that provide electrocution protection in newer homes. But, of course, many lower-income people aren't able to afford newer homes, apartments, et cetera. So anecdotally, these are some of the reasons why we may see more injuries.

And that is why, to reemphasize what the Chairman and Commissioner Gall have said, small increases in the Commission's budget certainly provide a direct link to decreased health care costs, because as you know, it is lower-income, inner-city people, that when they break an arm, a leg, a finger, or there is a burn, their primary care physician is the emergency room. And to the extent we cut down on those emergency room costs through preventable injuries, we are going to lower health care costs.

Certainly coverage in health care is very important, but the second most important issue with health care is cost containment. Once you get all the American people under some kind of health care plan, you have got to control costs, and you do that by controlling preventable injuries.

OLD CRIBS

Ms. BROWN. And also, Chairman, it is hard when people are so concerned with life's basic needs to try to listen to very many messages about what is going on in the world that will help their safety. Because just life is so difficult in working and living that safety becomes very difficult. We have, for instance, a problem with older cribs, where cribs are passed down; and those are the ones that are causing 50 deaths a year in children, in those old cribs. But you are almost hesitant to encourage people to get them out of people's hands, because then they may put their kids on a pile of rags, something like that.

It really gets down to very real life choices. And that is a problem, and outreach has to be done not in pediatricians' offices, because as the Commissioner said, that is not where they are, they are in day care centers and emergency rooms, and that is where we have to start doing our basic education.

We are thinking about, for instance, trying to have some kind of a buy-back scheme for these old cribs, but that won't get to the population that we really need to address, because suppose they could get a $100 crib for $25; $25 might look like all the money in the world. So this is something that we have to very seriously consider.

This would take very strong amounts of information and education and quite large infusions of money. And it is very worthwhile to be doing.

Commissioner Gall, you wanted to add?

Ms. GALL. You know, many cribs are purchased at yard sales or are passed on to others. And as the Chairman said, we are not going to be able to reach those folks through the routine methods that we have.

For example, the other day when we had the lead in crayons, the first thing I did was send information out to Head Start to make sure that the Head Start people around the country were aware of the lead-in-crayons situation. And there are a lot of things we can do with the other Federal agencies.

But until we get into those communities directly through a project like vulnerable populations, we are going to have a hard time getting that information out. Our folks do the best they can: They are translating materials into different languages; we are using pictures a lot more, rather than the printed word; we are doing as much as we can, but we really need the additional money.

Here I go again. But we do need money in order to really reach into the community and get the message out.

Mr. STOKES. What are you doing about those bunk beds we all saw tumbling or crumbling on TV?

Ms. GALL. The bunk beds?

BUNK BEDS

Ms. BROWN. Well, that has really been a major effort, and we have really got those out of the market now.

We have done a recall against nine companies. These are all from abroad, these are not American-made beds. And when people call this one number and they find out where they bought the bed, they can get this one retrofit; or if the bed is cracked, they can get a new bed. And this has been an amazingly successful program, because we have really affected a large number of the beds.

And, of course, by doing a press conference and getting so much publicity about it, we are getting them out of people's homes, or else getting them fixed. And we have really got a handle on this where it is almost a nonproblem now.

CRAYON RECALL

I would like to talk about the children's crayon recall. I want you to have an idea of what kind of expense it was and burden on the Commission just to do this one crayon recall. You know, crayons especially is a problem with inner-city kids who have all this lead around that they can get from other sources, from paint and that sort of thing. And it can result in impairment in mental function and learning disabilities.

In order to perform this crayon work that we did, we had to totally shut down our laboratories for two weeks and just do crayon testing. That was all we had the ability to do for two weeks, just to devote ourselves to this one task.

And with this one limited surveillance effort, we used more than 25 percent of our resources in this one product area. And now only limited resources are available to examine additional shipments of crayons, which we must continue to do. This is not a one-shot deal. We are working with Customs, and we are considering civil penalties; but you can just see that we are really externally driven, and when we found out that there were these crayons being imported into the country with high levels of lead that could endanger kids, we need the resources to be able to respond to something like that.

Mr. STOKES. My recollection is, when I read about this in the newspapers, that all these crayon companies were not foreign companies.

Ms. BROWN. They all were foreign companies.

Mr. STOKES. They all were?

Ms. GALL. Whose crayons had the lead in them. But there are U.S. companies which produce crayons as well.

Ms. BROWN. Crayola, an American company that has 50 percent of the market, did not have appreciable lead levels at all; and the other American companies we are testing now, but we are fairly well assured because they conform to the special ASTM standard. So we are going to be getting that information beginning in May, but we are fairly comfortable with that.

No, these were all companies that were from—crayons that were made in China.

Mr. STOKES. Okay. Well, the news I saw had given the impression some of these were American companies.

Ms. BROWN. No, sir.

Mr. STOKES. I am glad at least to know that.

FIRE SAFE CIGARETTE

Last week you testified before Chairman Moakley, I believe, regarding a bill to establish standards for fire-safe cigarettes?

Ms. BROWN. Correct.

Mr. STOKES. What is the estimate of the cost of that effort?

Ms. BROWN. Well, the estimate would be—the cost would be $1.9 million to come up with a standard for a fire-safe cigarette. And, of course, Chairman Moakley stated at the hearings, which were in Cardiss Collins' committee, that he understood that that would be money that we wouldn't be able to find within our budget.

So he was going to, for that specific project, he would be able to find the money for to us do that project.

AWARD TO P&G

Mr. STOKES. You mentioned earlier today about the award given to Procter & Gamble.

Ms. BROWN. Yes, correct.

Mr. STOKES. What was that for?

Ms. BROWN. That was a new group of awards called the Chairman's Commendation, and that is given to recognize real achievement in product safety by an individual or a company or a group—anybody who is doing something that will really take initiative, show innovation and go beyond any requirements.

And what they did, they have voluntarily introduced to the market mouthwash that is in a child-resistant, senior-friendly cap, so that you can open it, older people with arthritis who have difficulty could open it at the same time as it is still child-resistant—that is the major thing—and they have done that ahead of the market without having had to and we have said—encouraged any industries who are doing something ahead of the market voluntarily to promote product safety that we would be glad to give other awards.

VOLUNTARY AND MANDATORY STANDARDS

Mr. STOKES. What methodology would be used to determine whether or not to adopt a voluntary compliance standard or impose mandatory action on a manufacturer once CPSC determines the product is unsafe?

Ms. BROWN. All right. Would somebody like to comment, would you like to—our General Counsel, Eric Rubel.

Mr. RUBEL. Under the CPSA, a voluntary standard is required to be adopted, as opposed to mandatory rulemaking by the Commission, where the standard is actually in place, would likely be substantially complied with, and would likely be effective to eliminate the risk. If those criteria are met, the CPSC defers to the voluntary standard and doesn't go the mandatory route.

However, if the standard is not in place, if there is not likely to be substantial compliance, or if it would not likely be effective, then the Commission is free to go the mandatory route.

Mr. STOKES. It is my understanding the CPSC, as of last year, had 180 personal computers for 515 employees, and only 150 employees were on a local area network.

How important is having a local area network available for all the employees to the Agency and the consumer?

Ms. BROWN. I want to let you talk to our computer expert, our Executive Director, Bert Cottine. He has spent a lot of time involved with computers.

Mr. COTTINE. It is extremely critical that the local area network extend to all of the employees. My predecessor had installed the necessary computers on the desk of every employee.

Information is really the heart of any type of regulatory activity, whether it is voluntary or mandatory. We are in the process of looking at integrating information on the local area network so that employees are not in little compartments with their computers, but rather can gain all of the information that they need to take the action and advise the Commission on the course that is appropriate.

Those area networks are in place now for the entire headquarters. The New York regional center is now on the network, and our other two regional centers will be added before the end of the fiscal year. With that, we will have brought in the field to the overall operation of the Commission. The project for the next year will be putting together the databases. Yet this is one of the things that is at risk with the lower budget figure.

We really need data integration, and I can say that from very direct experience. At 9:30 this morning, there was a demonstration of the information on the various databases. However, we had not yet reached the stage where we could put them together, that that still has to be done manually.

With the volume of information this Commission has and the wide range of products that it must regulate, putting it together through a local area network is critical.

Mr. STOKES. As a follow-up to that, last year there was some discussion relative to the lack of communication between the staff and the Commissioners. And some of that was attributed to a lack of automation.

Has any progress been made in this area?

Ms. BROWN. Yes, a lot of progress has been made, and it hasn't had to do with automation. It has really had to do with walking around, I think. I made a speech to the staff when I first got there, introduced myself. Then I went around, visited every staff member in their individual offices. And I completed the whole building. And I am now starting that round of personal visits again. I have had brown bag lunches up in my conference room with every Director, where every person has come in and we talked back and forth individually.

As I have talked to people, I have tried to reinvent government, in a way, by saying I wanted their ideas and their thoughts and not have to go through a whole lot of levels. I wanted them to tell my Chief of Staff, Patricia Atkins, who is over there, to either E-Mail her or tell her any ideas that we had. She would be the funnel for people getting ideas to bubble up; and we have had quite an outpouring, actually.

Then Patricia goes through them and brings them to me. And it has really been very much an opening up of the Agency, including getting rid of the key cards, which is one of the first things we did.

We had to use these key cards to get in to the elevators and we couldn't get in on weekends or at night. This has all been freed up, so that people only have to use their key cards at night or on the weekends, and they don't have to use them in the elevators during the week.

Much more give and take between people; it is just my style, and people seem to have responded very well to that.

IG REPORT

Mr. STOKES. In the Consumer Product Safety Commission's Office of Inspector General semiannual report to the Congress, dated April 1, 1993 through September 30, 1993, there are three recommendations the OIG made to CPSC which are currently open.

Has CPSC developed and implemented internal controls to assure that adequate payroll data is generated and entered into the Commission accounting system?

Mr. COTTINE. Yes, that has been complied with.

Mr. STOKES. Has CPSC addressed the OIG audit finding relating to the civil penalty collection process?

Mr. COTTINE. That has been presented to me in the past week, and it will be out in the next day.

Mr. STOKES. Okay. Has CPSC developed a new property management system to address the deficiencies in the current system, as the OIG recommended in the prior OIG report?

Mr. COTTINE. Yes, we have. This is actually a new purchase. On this pager, you can see the bar code across the top here. We are in the process of bringing the entire property management system into line with the OIG recommendations.

MINORITY HIRING

Mr. STOKES. Very good. We have, Madam Chairperson, for a number of years now, discussed with your predecessors the problems related to minority hiring practices at this Agency.

Can you give me some update in terms of progress the Commission has made with both the hiring and the promoting of minorities?

Ms. BROWN. Well, I think this is still a problem for us. We have been there a month, five weeks, and I have already had several meetings with John Barrett, our excellent EEO officer. And I could give you the statistics, if you like, that our minority hiring, women hiring, still is not what it should be.

Mr. STOKES. I would like for you to put those in the records.

Ms. BROWN. Yes, absolutely, I will submit this for the record; but I can tell you, just looking around, that the minority hiring is still too much in the lower levels and not in the upper-midlevel echelons; that the women—although we have three women Commissioners, that there still are not enough women in the top SES positions. This is something that is of terrific concern to me.

I talked to Mr. Barrett about it, and we are going to be working on this as a primary concern of ours. From April 1, 1993, to April—between April 1, 1993, and April 15th, 1994, we hired 34 persons. And as I say, 41—14 were minority; and 22, or 64.7 of these, were women. Our minority hires during this time include my Chief of Staff, Patricia Atkins; a Veterinary Medical Officer; and a Contract Specialist.

There is lots of work to be done in this field. We have got several ideas, not just in the way of hiring, but in trying to enlarge our capability, for instance, to have—to keep the Stay in School program. We have our Stay in School program, we are trying to get some private funding for that.

We are trying to get volunteers both from the handicapped community and from the elderly community to come over to work on a volunteer basis at the agency, to broaden our base in that way.

But our primary concern is still—is still the hiring; and I would say that we have a lot of work to be done, particularly in middle and upper management.

[The information follows:]

% of Jobs Held by Minorities at CPSC as of OCT.93

GS-	Total CPSC	# Minority	% Minority	% Federal
1	0	0	0	56.3
2	0	0	0	52.2
3	0	0	0	45.6
4	8	6	75	41.4
5	26	15	57.6	36.6
6	16	14	87.5	35.5
7	25.5	16	64	32.2
8	11	5	45.4	31.7
9	27	8	29.6	26.1
10	2	0	0	23
11	70	17	24.2	22.5
12	98	23	23.4	18.9
13	66	12	17.1	15.3
14	50	6	12	12
15	44	5	11.3	11.5
SR.	12	0	0	8.1

Between 4/1/93 and 4/15/94, CPSC hired a total of 34 persons. Of that number, 22 or 64.7% were women and 14 or 41.1% were minority. Minority hires during that period included the Chairman's Chief of Staff, a Veterinary Medical Officer and a Contract Specialist.

Mr. STOKES. You know, President Clinton has made it very clear that he wants his Administration to look like America—"the face of America"—were his words. We hope that as the administrator for this agency, you are going to show us the type of progress that is necessary to follow through with his wishes.

Ms. BROWN. That is exactly right. I have done so in my personal staff, and that is something that I have passed on to my Executive Director, and is a major hiring focus of ours now.

Mr. STOKES. Last year during the hearing, CPSC stated that the number of Stay in School positions in 1993 would increase.

Have you been successful in increasing the number of positions?

Ms. BROWN. Well, we haven't now because they now count against our FTE ceiling. Those are the new rules. We went from 32 students last year to 13 this year, because to keep the Stay in School people, we would have to RIF some of our regular employees. And in order to increase our SIS population, I have instructed the appropriate staff to look into the possibility of seeking private funding for SIS positions.

I think the Stay in School program is of primary importance, and when I have walked around the Commission, the Stay in School students that I have met have been absolutely superior, some of whom have driven all the way in from Annapolis and places like that every day to work with us. And it is not just that I am being Lady Bountiful here. They are making contributions to our Commission.

So I intend to use the SIS program to both increase women and minorities in middle- and upper-level positions and also to try and see if within what my General Counsel will allow me to do, to see if we can seek private funding for that. And I have already got a program like that on the way.

Mr. STOKES. And tell us, what do they do?

Ms. BROWN. What do they do? They actually work with—work in the different fields. John, can you speak on that, please? This is John Barrett, who runs our SIS program.

Mr. BARRETT. They are generally spread throughout the Agency. We currently have a total of 13 students; seven of those are at headquarters and six in the regions. And we have students—I have a Stay in School student in my office; there is a Stay in School student in the Office of Public Affairs. So generally they work across the board—engineering sciences, epidemiology as well.

Mr. STOKES. I see.

Mr. COTTINE. We also have an outstanding success story. This, I think, is worth bringing to your attention as this program is reviewed in a broader context; and that is that one of the Stay in School students in the New York Regional Center has come on as a full-time and very valuable employee in that unit. And I think that is the type of value that this program adds to the Federal service.

We are looking in every way to make that type of payoff, not just for the Agency, but for these students for whom this is a vital part of their educational development.

Ms. BROWN. This is a pet program of mine, chairman.

Mr. STOKES. I am pleased to know that.

Ms. JONES-SMITH. Let me add, Chairman Stokes, that this has been an excellent program, as you have heard; and unfortunately, because the Commission has had to cut its FTE level in order to meet the budget targets, we have had to eliminate, unfortunately, those students. And certainly the Chairman has mentioned efforts to try to find some way of getting those students back.

But it is an incredibly valuable program to give these students an opportunity to come in and work in a Federal agency; and that has been, unfortunately, one of the tragedies of our lower budget, the elimination of this program.

Mr. STOKES. Thank you very much. Well, Madam Chairperson, we have concluded our hearings. I want to thank you and your associates for the testimony you have given us. We had a good hearing, and we look forward to working with you.

Ms. BROWN. Thank you, and this has been very valuable as my first hearing.

Mr. STOKES. You have done well.

Ms. BROWN. Well, I have a good staff. I have a good staff, and I have wonderful fellow Commissioners working with me.

Mr. STOKES. Well, that is good to know. Thank you very much.

[Questions and answers for the record and the justifications follow:]

Question #1: In an unprecedented move, the CPSC has rejected the lower OMB recommended budget and submitted their own higher recommendation.

Does this reflect a lower priority within the Administration for the CPSC?

Answer: The recommendation of the higher budget figure was proposed by the two sitting Commissioners before the new chairman was confirmed by the Senate. It is not supported by the new chairman. She has submitted her own recommendations.

The OMB mark reflects a high degree of confidence in the chairman and a renewed commitment to product safety by the Clinton Administration. The preliminary OMB figure last year was $1 million less than the final figure submitted this year. When the newly nominated chairman learned of the lower figure, she contacted the appropriate officials at OMB and persuaded them to restore $1 million, thereby avoiding a damaging RIF of Commission employees. So the chairman does not believe the CPSC has a lower priority within the Clinton Administration.

Question #2: OMB recommends that the CPSC maintain a level of 487 FTEs in FY 95 down from an FY 94 level of 518 and the desired CPSC level of 510.

Given the reduced levels of FTEs the OMB budget suggests and the likelihood of further reductions in future budgets, isn't there a level at which it becomes almost impossible to maintain effective economies of scale or even all the necessary secretarial and computer functions of the CPSC?

If the CPSC reaches the reduced level, it will be very difficult for it to function as an independent Commission.

At that point, shouldn't we consider folding the Commission into a larger agency?

Answer: No, folding the CPSC into a larger agency would inevitably submerge its vital mission in the conflicting goals of another agency. There are independent agencies that perform effectively with less resources. More than twenty years ago the Congress reached the conclusion that the CPSC should be an independent agency. The Commission believes that judgment remains valid today.

Question #3: If the CPSC is authorized to establish a mandatory performance standard for fire safe cigarettes, you estimate it would cost the Commission $1.9 million. Some believe this estimate is on the low end. Further, the former Chairwoman of the CPSC has stated that the effort to develop a performance standard to reduce cigarette ignition propensity is beyond the technical capability of the CPSC suggesting the Commission may have a larger challenge in front of them than realized.

If the OMB recommended funding levels are adopted, which at your own admission would force the Commission to significantly curtail its work, wouldn't this new requirement cause CPSC to divert significant resources away from other programs?

What program areas would you propose to reduce?

Answer: In his testimony before the Subcommittee on Commerce, Consumer Protection and Competitiveness, Congressman Moakley told the subcommittee he would obtain the necessary funds to add to the Commissions appropriation so that no other activities would be reduced. There is ample precedent for this action. The same procedure was followed under the Fire Safe Cigarette Act of 1990, and the Cigarette Safety Act of 1984.

Question #4: Ms. Brown, an issue that is of great concern to me is the growing and hugely expensive regulatory burden the federal government continues to impose on our economy. A 1992 Joint Economic Committee Annual Report found that the cost of safety regulations amounted to $29 billion - that figure includes activities of other agencies besides the CPSC. While some regulation is necessary, my concern is that way too often regulatory agencies fail to take into account the costs in relation to the benefits of regulatory actions.

The same 1992 Joint Economic Report points out that the CPSC's, "safety standard for matchbooks has been found to have had no significant direct effect on the number, or severity of burns due to matches. A study on the CPSC's 1973 Mattress Flammability Standard finds that the regulation had no effect on consumer safety, but that the standard raised prices to consumers by up to 4%. Another study of the CPSC's regulation of bicycle safety standards concludes that over the period 1976 to 1986, the CPSC's standards failed to have any measurable impact on bicycle-related injuries."

I realize that all of these standards were promulgated before you, but I'm interested in what actions CPSC takes to ensure that its standards actually do improve safety?

If a standard is found not to be effective, is it repealed?

How does the CPSC evaluate the standards it imposes in terms of costs and benefits?

Answer: The references to the 1992 Joint Economic Committee Annual Report are from the Minority Views section of the report. They were not supported by a majority of the Joint Economic Committee.

The Commission is always open to petitions for modification or reversal of standards. Recently, the Commission modified the clackerball regulation to exempt certain products.

The Commission follows well accepted procedures in evaluating costs and benefits of proposed rules.

- In developing a standard, the CPSC estimates the reduction in injuries, deaths, and property damage that will result from the standard. Technical staff predict hazard reduction levels by rigorously reviewing injury scenarios and making realistic forecasts of future levels of effectiveness of the standard and alternatives to the standard.

- CPSC also considers issues of unreasonable risk, and compares expected benefits to expected costs to make sure that its rules are in the public interest. The Commission follows administrative procedures and makes findings (as may be required in the statute authorizing the standard) that the costs bear a reasonable relationship to the benefits. Furthermore, CPSC considers the broader impacts on the economy and industry, especially small business.

- The formal rulemaking process allows for review of a proposed standard by a broad range of stakeholders. Public comments often provide useful data that contribute to the decisionmaking process.

Some typical examples of Commission cost-benefit analyses follow. The Commission staff estimates that the power mower standard resulted in savings to society of over $200 million per year. The child resistant closure regulation has saved the nation $300 million per year. The regulatory analysis for the cigarette lighter standard showed that the rule will yield over $100 million net benefit to the American people.

U.S. Consumer Product Safety Commission

1995 BUDGET REQUEST

Submitted Concurrently to
the Congress and the Office of Management
and Budget

February 1994

Note: This document represents the Commissioner's original request to the Office of Management and Budget (OMB) annotated in bold to reflect the impact of the OMB level.

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COMMISSIONERS' BUDGET TRANSMITTAL STATEMENT

The Administration initially proposed a 1995 funding level for the Consumer Product Safety Commission (CPSC) of $39.2 million. In its subsequent deliberations, the Commission voted to submit to Congress its "September" budget rather than accept the proposed Office of Management and Budget (OMB) mark. Although the Administration's final recommended level of funding for CPSC is $40.2 million, $1 million above the original proposal, the Commission's position of seeking congressional consideration of a higher level of funding for CPSC in 1995 has not changed. The proposal to fund CPSC at $40.2 million is $4 million below the agency's September request and $2 million below its current year budget. We are concerned that if the Commission is funded at the OMB level, the American public will be forced to accept a severely reduced product safety effort.

This statement transmits the Commission's 1995 budget request documentation to the Congress and the Office of Management and Budget (OMB). It represents the Commission's original request to OMB annotated in **bold** to reflect the impact of the OMB level of $40.2 million.

The CPSC's actions result in immediate reduction in the nation's health care costs. Preventable injuries in or around the home or in recreation areas are leading contributors to rising health care costs. Nonfatal consumer product injuries account for one in every six hospital days and one in every ten hospital discharges. In the last decade alone, the Commission's work made a significant contribution to the 20 percent reduction in the annual death and injury rate. This saved billions in dollars associated with emergency room treatment. For an agency with a very modest budget, the American taxpayer receives an excellent return on every dollar invested.

The Commission is the only Federal agency that identifies and systematically acts to reduce consumer product safety hazards. The OMB mark will severely hampers the Federal presence in consumer product safety and it challenges the Administration's commitment to carrying out the Consumer Product Safety Act. Reducing CPSC's injury prevention work is inconsistent with the President's initiative to reduce health care costs.

We look forward to working with the Congress to develop a more reasonable funding level for CPSC and, thereby, ensuring a safer America with respect to consumer products.

Jacqueline Jones-Smith
Chairman

Mary Gall

Mary Sheila Gall
Vice Chairman

APPROPRIATION LANGUAGE

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

A. Commission Request:

For necessary expenses of the Consumer Product Safety Commission, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18, purchase of nominal awards to recognize non-federal officials' contributions to Commission activities, and not to exceed $500 for official reception and representation expenses, $44,199,000. (Additional authorizing legislation to be proposed).

B. OMB Level:

For necessary expenses of the Consumer Product Safety Commission, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18, purchase of nominal awards to recognize non-federal officials' contributions to Commission activities, and not to exceed $500 for official reception and representation expenses, $40,200,000. (Additional authorizing legislation to be proposed).

I. OVERVIEW

The Commission 1995 request continues a vigorous hazard reduction program, implements the agency's long range plan, and reflects the President's original deficit reduction initiative in FTEs and administrative costs.

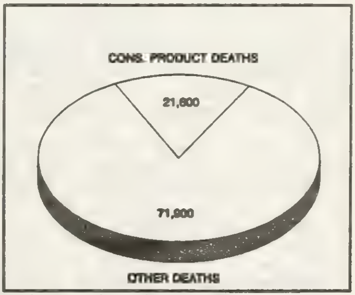
The Commission 1995 budget request includes 510 FTEs and $44.2 million to operate the Commission. This is a reduction of 8 FTEs and an increase of $1.9 million from the 1994 appropriation.

The Office of Management and Budget (OMB) recommends a level of $40.2 million, a substantial $4 million reduction (nine percent) from the $44.2 million Commission request. Compared to the $42.3 million 1994 appropriation, the OMB level represents a $2.1 million or a five percent reduction. The Commission views the OMB level as a step backwards for consumer product safety and a level that ignores the agency's ability to reduce product hazards and health care costs. The Commission seeks reconsideration of its original 1995 request because it represents a request that protects and enhances consumer product safety efforts, provides reasonable and manageable reductions, and makes investments in agency productivity.

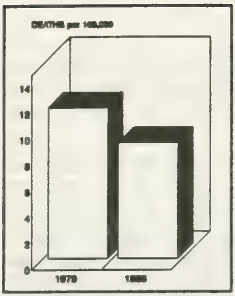
Consumer Product Safety and the Agency's Role

The Commission is a unique independent Federal regulatory agency responsible for identifying and reducing the unreasonable risk of injury from consumer products. Other Federal agencies study injury but only the Commission has the authority and ability to determine the underlying cause of injuries and develop and implement intervention strategies for reducing these injuries. The Commission identifies and researches product hazards, acts to reduce hazards, enforces regulations, and informs the public and business community of potential product hazards. The Commission's actions result in immediate reductions in the nation's health care costs.

Unintentional injury is the leading cause of death among persons under 45 years old and is the fourth leading cause of death in the total population. Of the estimated 93,500 annual deaths resulting from unintentional injury, 21,600, or nearly one-fourth, are related to consumer products within the agency's jurisdiction. In addition, 28.5 million injuries result from consumer product use. Nonfatal injuries account for one in every six hospital days and one in every 10 hospital discharges. These injuries cause huge losses of productivity and avoidable medical care costs. Injuries, deaths, and property damage associated with consumer products cost the public about $150 billion annually.



Unintentional Deaths (93,500 per year)



Decrease in Deaths (per 100,000)

The agency protects the public by significantly reducing the large numbers of deaths and injuries associated with the more than 15,000 types of consumer products over which the Commission has jurisdiction. For example, in one decade alone, from 1979 to 1988, the average rate of death per 100,000 consumers decreased by 20 percent. Injuries associated with consumer products also decreased by the same rate. Agency efforts on electrocutions, poisonings, power mowers, and fire safety alone save society about $2.5 billion each year, a manyfold return on the Federal government's investment in product safety.

The Commission uses all the tools at its disposal -- including mandatory and voluntary standards, compliance and enforcement action, and consumer information -- to reduce risks with consumer products. In 1993, CPSC pursued 7 mandatory standards and 41 voluntary standards; and completed 316 corrective actions and stopped importation of over 645 shipments covering 58 million potentially hazardous products and dozens of consumer information efforts.

In 1993, the Commission issued a mandatory standard requiring child-resistant cigarette lighters which is expected to reduce consumer deaths, injuries, and property losses by $300 million annually. In 1993, the Commission also aggressively pursued the first civil penalties under the newly expanded Federal Hazardous Substances Act, completed a major criminal action under the Flammable Fabrics Act, and launched a highly effective information campaign encouraging greater use of smoke detectors (the "For Pete's Sake" campaign).

Consumer Product Safety and Future Challenges

In 1993, the Commission completed its long range plan. This plan, now in its strategic implementation stage, was developed over two years and involved all levels and areas of the agency. Consumer groups, industry, other Federal agencies, and the Commission staff all provided input to the process. The long range plan, when fully implemented, will help make the agency more efficient and effective in meeting product safety challenges through the end of this century and into the 21st century.

In the years ahead, the agency will be serving an older and more diverse population. The findings that Congress made in 1972 concerning risks of injury associated with consumer products continue to be valid in the 1990's. As new products are developed or refined to meet the changing needs and interests of consumers, and as existing products are adapted to new uses or marketed for different populations, consumers will continue to be exposed to preventable risks of injury. The increasing globalization of consumer product markets and the lack of international product safety standards also place U.S. consumers at risk.

But most importantly, unlike its early years, the agency will not be confronted with a complement of well-defined, widespread hazards documented by substantial injury data. Rather, as the CPSC's experience with infant suffocation demonstrates, the agency more often will encounter injury data that, at the early stages, are characterized by hard-to-identify hazards. The reduction strategies needed to address these types of product hazards will be more challenging.

Agency Response to Future Challenges

The Commission's long range plan establishes risk-based decision making as the cornerstone for future Commission actions. This means that the Commission must prioritize its injury reduction activities by the degree of risk presented to the public, the susceptibility of the hazard to remedial action, and the cost of achieving that action.

In order to improve its risk-based decision making, the agency must establish and maintain a comprehensive system for collecting injury and product related information, and an efficient and accurate analytical process for identifying appropriate candidates for remedial action.

Establishment of an integrated, centralized information system containing data relevant to each hazard is the key to the agency's continued success. In the 1993 operating plan, in the President's 1994 request and in this 1995 request, the Commission takes steps towards accomplishing this objective by upgrading the agency's computerized information network, its laboratories, and its training of staff, and by enhancing its Hazard Identification and Analysis program. The Commission, through this 1995 request, is beginning to see the results of these efforts with the risk-based selection of hazard reduction candidates.

The 1995 OMB level, however, eliminates all funding to improve the agency's computerized information network, its laboratories and reduces training funds. Other risk-based decision making elements also will be reduced under the OMB level.

1995 Request

The agency's long range plan guided the development of the Commission's 1995 budget recommendation. The Commission 1995 budget addresses the long range plan by proposing:

- Several new hazard reduction efforts selected on the basis of risk, susceptibility of the hazard to remedial action, and the cost of achieving that action;
- Enhancements of the agency's data collection and analysis efforts, the starting point for risk-based decision making;
- Enhancements to the infrastructure supporting risk-based decision making; and
- New efforts to strengthen the Commission's individual hazard reduction tools.

In addition to implementing the long range plan, the budget proposal:

- Continues progress on existing product safety efforts carried forward from 1994; and

- Maintains the agency's overall level of product safety effort while achieving the agency's share of the President's original 1995 deficit reduction program.

The Commission request includes a reduction of eight FTEs and a net increase of $1.9 million from the 1994 appropriation:

	FTEs	$000
1994 Appropriation	518	$42,286
Adjustments to Base	--	+1,796
President's Deficit Reduction Program	-8	-652
Program Increases	--	+769
Subtotal, Changes	-8	+1,913
1995 Commission Request	510	$44,199
OMB Level Program Decrease	-23	-3,999
1995 OMB Level	487	$40,200

The OMB level represents a reduction of 23 FTEs (five percent) and $4 million (nine percent) from the 1995 Commission request. Compared to the 1994 appropriation, the OMB level represents a reduction of 31 FTEs (six percent) and $2.1 million (five percent):

	FTEs	$000
1994 Appropriation	518	$42,286
Adjustments to Base	--	+1,796
Program Decreases	-31	-3,882
Subtotal, 1995 Changes	-31	-2,086
1995 OMB Level	487	$40,200

The OMB level, whether compared to the Commission request or the 1994 appropriation, forces severe program cuts in critical non-salary requirements in order to avoid a reduction-in-force (RIF) of employees. Examples of these reductions include:

- **Operating costs are reduced by ten percent.**
- **Hazard contracts are reduced 81 percent.**
- **Compliance contract support is reduced 62 percent.**
- **State and local government service contracts are eliminated.**
- **Laboratory equipment funds are eliminated.**
- **Automation funds are deleted.**
- **Training funds are reduced by 56 percent.**
- **Accounting system replacement funds are eliminated.**

Adjustments to Base

In order to provide the 1994 level of program effort at 1995 prices, an addition of $1.8 million is required. The $1.8 million consists of inflationary adjustments at rates estimated by the Office of Management and Budget (OMB), the General Services Administration (GSA), and agency staff. The increase includes funding for these items:

- Salary increases of $878,000 for the President's proposed 1995 pay raise (1.6 percent), annualization of the 1994 locality pay raise (3.3 percent), various benefit increases (health insurance, retirement), and annual within-grade increases, offset by a reduction for one less day of pay in 1995;

- GSA Space rent increases of $110,000 consisting of a general three percent inflation increase, and

- Non-salary and non-space rent inflation increases of $220,000 for program contracts, operating expenses (travel, supplies), and overhead costs (telecommunications, service contracts).

- In addition, an increase of $588,000 represents a restoration of contract support funds deleted in the 1994 level to fund the 1994 locality pay raise.

These changes are allocated among all programs of the Commission.

Inflation costs under the OMB level are by necessity unchanged from the Commission request because these are costs the agency must pay to maintain its baseline operations.

President's Deficit Reduction Program

The agency's 1995 deficit reduction targets were eight FTEs (and related salaries of $343,000) and $309,000 in non-salary reductions. The Commission proposes a reduction of six FTEs from ceiling employment (and two FTEs from non-ceiling employment categories). All the FTE reductions are in the clerical category to take advantage of automation and telephone efficiencies and to offset the elimination of 13 professional positions in 1993 and 1994.

The $309,000 reduction in non-salary costs come from projected savings in telephones ($100,000) and other reductions in operating and overhead costs, such as travel, supplies, contractual services, etc. These reductions are allocated among all programs.

The OMB level replaces this manageable budget reduction with a much larger and harder to manage reduction. Instead of a streamlined and effective CPSC, the OMB level will create a weakened product safety program suffering from indiscriminate across-the-board cuts.

Program Increases

The Commission request includes three program increases totalling $769,000 (no FTE increase) that contribute to implementation of the long range plan and risk-based decision making.

- Automation - An increase of $649,000 is included to advance the agency's automation plan. The goal of the plan is to provide computer workstations to all employees, connect employees to each other and to information sources, and to develop centralized hazard data information sources to assist employees in their work. Completion of this automation plan is vital to fully implementing risk-based decision making. This increment will address the information data base development portion of the plan, and keeps the plan on schedule for full completion by 1996.

- Section 15 Task Force - A contract increase of $50,000 is requested to support a pilot effort designed to strengthen the Commission's compliance and enforcement injury reduction tool and enhance the Commission's ability to apply risk-based decision making in the enforcement of its regulations. Section 15 of the Consumer Product

Safety Act provides the Commission authority to remove hazardous consumer products from the marketplace. The proposed pilot effort applies new techniques to increase compliance with the reporting requirements of Section 15 and increase the number of Section 15 actions dealing with the most serious product hazards. The $50,000 increase would provide technical and litigation support in anticipation of increased activity in identifying and removing the more hazardous products from consumers' hands and the marketplace thus reducing injuries and deaths.

- Field Office Training - An increase of $70,000 in travel funds is requested in order to hold comprehensive enforcement training in each of the agency's three regions. This training has not been held in the last five years; substantial changes have occurred in Commission authorities and regulations. The field staff make up 78 percent of the Compliance and Enforcement program, the agency's largest program.

The OMB level deletes funding for these productivity investments. The OMB level also reduces funding for automation and training below the 1994 appropriation level. There are no funds in the 1995 level for automation investments. This means that the development of a single, unified product safety database will not be done. Training is reduced to half of the 1994 level (which is already below the Federal average training funding) and makes it very difficult to meet new training needs required by product safety developments and cross-training of staff to meet a reduced operating size. Finally, the productivity investment of $250,000 for a new accounting system to replace the agency's aging system budgeted in the Commission's base program is also deleted under the OMB level. All of these investments promised future agency improvements in effectiveness and efficiency.

1995 Program Changes

The Commission request includes some minor changes in the makeup of individual programs within 1994 funding base that reflect changing workloads and implementation of the long range plan and risk-based decision making.

The OMB level calls for program decreases of $4 million or nine percent from the Commission request. A total of 31 FTEs (six percent) must be reduced, through attrition and a hiring freeze. Because the agency's budget is salary intensive (72 percent of its funds are devoted to staff salaries and an additional eight percent for space to house these employees), the agency must reduce FTEs despite deep non-salary dollar cuts.

Hazard reduction contract support is cut 81 percent. State and local government contract support of investigations and consumer information efforts is eliminated. Automation and hazard database development funding is eliminated. Laboratory equipment replacement funding is eliminated. Travel and operating expenses are reduced 10 percent. These reductions are substantial and will harm agency programs and productivity for many years to come as described below.

Hazard Identification and Analysis

The Hazard Identification and Analysis (HIA) program identifies hazardous products or injury patterns and proposes hazard reduction strategies. This program is the basis from which many of the Commission's hazard reduction, consumer information and enforcement activities are initiated and the first step in a systematic risk-based decision making process central to the agency's long range plan.

The Commission 1995 request includes contract increases to purchase data analysis in the hazard screening and economic analysis activities. Improvements in this analysis will make the hazard reduction, enforcement, and consumer information work that follows more focused, efficient, and effective.

The OMB level reduces this program by one FTE (two percent) and $155,000 (ten percent) in contract support from the Commission request. In response to the OMB level, the Commission seeks to limit reductions in this program because it is the cornerstone of the agency's risk-based decision making process. The FTE and contract reductions, however, will hamper the agency's effort to improve its collection and analysis of data vital to risk-based decision making. The reduced contract support eliminates the availability of information to determine causality factors and the feasibility of remedial actions to eliminate product hazards. Also, no investments in developing hazard databases will be available.

Hazard Assessment and Reduction

The Hazard Assessment and Reduction (HAR) program develops and implements reduction strategies for hazards identified under the HIA program. The Commission 1995 program continues to apply a balanced set of reduction strategies against a full range of hazards (fire, electrical, mechanical, and chemical). These strategies include voluntary and mandatory standards, building code changes, and the development of consumer and industry information.

The mix of activities change, with eight hazard projects completed in 1994 and five new hazard projects proposed by the Commission for 1995. The new activities include Building Codes Coordination, Range Fires, Power Equipment Voluntary Standards, Ladder Electrocutions, and Glycol Ethers. These efforts address almost $4 billion in societal cost from consumer deaths and injuries.

Two of these efforts (Range Fires, and Ladder Electrocutions) are examples of projects developed through improved risk-based decision making. The Building Codes Coordination project focuses on improving working relationships with Commission injury reduction partners as envisioned in the long range plan. The Glycol Ethers activity proposes to explore a potentially serious consumer chemical hazard.

The Commission's priority project for 1995 is Home Electrical System Fires, also a priority effort in 1994. This project is directed at reducing the $1.4 billion annual cost to society related to fires associated with residential electrical wiring.

An increase in contract funding will provide critical testing and analyses support to hazard projects and help the laboratories support hazard reduction work with modern and cost efficient equipment. FTEs decrease by two to reflect the President's deficit reduction program; the FTEs are clerical positions and should not affect product safety work.

The Commission's 1995 HAR program with its revised activities addresses $28.1 billion in annual societal costs related to consumer product injuries, a $2 billion increase over 1994.

The OMB level maintains the Commission FTE level for this program but drastically cuts contract support. The OMB level cuts contract support by $961,000 or 86 percent from the 1995 request level. This includes a reduction of $625,000 (81 percent) to purchase testing and evaluation services in support of most hazard projects, elimination of all ($230,000) laboratory equipment replacement funding, and the elimination of all ($106,000) in automation and database development funds. Nine hazard projects suffer from contract reductions with research and testing curtailed. The OMB level forces the Commission to reduce contract support for the proposed priority project, Home Electrical Systems Fires. As a result, the project is retained but the Commission cannot designate it a priority, implying it has full funding and is exempt from future budget reductions. The study of home heating, ventilating, and air conditioning systems designed to improve air quality for millions of people with acute and chronic respiratory problems is deleted as a result of contract and FTE cuts.

Compliance and Enforcement

The Compliance and Enforcement (CE) program enforces the laws enacted by Congress and the regulations and standards developed under the agency's HAR program to promote product safety. This program also responds to hazards identified under the HIA program. When a product hazard poses an imminent or substantial danger, the Commission can require the repair, replacement or refund for those hazardous products in the marketplace and already in consumer use.

The Commission 1995 request continues a strong enforcement activity. The most significant change is a new approach to Section 15 enforcement, one of the agency's primary enforcement tools. The Section 15 task force will pilot test methods to efficiently identify and pursue the most serious safety violations. This effort promises to strengthen and focus the enforcement tool as recommended by the agency's long-range plan.

In total, under the Commission proposal the FTEs decrease by four to represent the program's share of cuts under the President's deficit reduction program. These are clerical FTE reductions and are expected to have a minimal impact offset by increased automation.

The OMB level reduces the Commission request for this program by three FTEs (two percent), $200,000 (100 percent) in state and local government service contract support, $192,000 (62 percent) in program contract support funds, and $475,000 in automation development. These reductions will seriously hamper the compliance and enforcement effort. The Commission's proposed pilot project on Section 15 enforcement will continue but without the benefit of contract support for litigation. Section 15 investigations will be reduced because of the elimination of state and local contract support. The result will be fewer recalls of

hazardous consumer products from the marketplace. The Regulated Products enforcement effort will be curtailed across-the-board. Contract support for enforcement of the new cigarette lighter regulation is deleted. These reductions translates to more deaths and injuries to users of the hazardous or non-complying consumer products. Contract support for monitoring All-Terrain-Vehicles safety also is deleted. Finally, a large portion of the agency's investment in developing computer based information systems was to be made in the compliance program; the OMB level deletes this needed investment.

Consumer Information

The Consumer Information (CI) program informs and educates consumers about product hazards and Commission recommendations on how to reduce these hazards. Through this program, product safety information developed in the HIA, HAR, and CE programs is provided to the public. This program also collects product hazard information from the public through its toll-free consumer telephone hotline.

The CI program in 1995 reflects a change in the mix of activities to strengthen consumer information efforts. A new effort in 1995 is directed at vulnerable populations (i.e., individuals such as those people with disabilities, low-income, non-English speaking, older citizens, etc. that for certain hazards may be at high risk but are unsuspecting and are not accessible through the general media). This activity will deliver consumer information to the most vulnerable groups using existing but untapped national and local information networks. This new approach will help strengthen the consumer information program and improve working relationships with the Commission's injury reduction partners, both goals of the long range plan.

The OMB level reduces the Commission request for this program by two FTEs (four percent) and $142,000 (23 percent) in contract support. The new Vulnerable Populations project is deleted because of FTE and contract reductions. Contract support for video communications is reduced 18 percent. All state and local government funding of consumer information support is deleted. All automation funding is deleted.

Agency Management

The Agency Management (AM) program provides policy guidance, executive direction, and legal and administrative services necessary to support the work of the HIA, HAR, CE, and CI programs. The AM program use of agency FTEs has been reduced from 24 percent in 1989 to 19 percent in 1995.

The OMB level reduces the Commission request for this program by three FTEs (three percent) and $326,000 (75 percent) in contract funds. The FTE reductions represents one FTE reduction in the Inspector General, Budget and Administration functions. The contract reduction deletes this program's share of automation and database development such as the agency records, accounting, and personnel systems that would provided more efficient and productive administrative services to the agency.

Conclusion

Change by Program
(dollars in thousands)

	1994		1995 Comm. Request		1995 OMB Level	
	FTEs	Amount	FTEs	Amount	FTEs	Amount
Hazard Identification and Analysis.........	66	$6,352	66	$6,577	65	$6,214
Hazard Assessment and Reduction.........	98	8,861	96	9,109	96	7,920
Compliance and Enforcement..........	190	14,604	186	15,298	183	13,888
Consumer Information...	52	4,447	52	4,587	50	4,415
Agency Management......	96	8,022	96	8,628	93	7,763
Subtotal...........	502	$42,286	496	$44,199	487	$40,200
Non-Ceiling FTEs.......	16	--	14	--	--	--
Total..................	518	$42,286	510	$44,199	487	$40,200

In sum, the 1995 Commission request of $44.2 million: 1) continues the substantial agency efforts to reduce injuries and deaths; 2) enhances hazard identification and screening components of the Commission's risk-based decision process; and, 3) strengthens the Commission injury reduction tools as recommended by the agency's long range plan.

The 1995 OMB level of $40.2 million: 1) impairs agency efforts to reduce injuries and deaths due to reduced and eliminated contract support; 2) reduces the effectiveness of hazard identification and screening components of the Commission's risk-based decision process; and, 3) diminishes all Commission injury reduction tools and stops implementation of the agency's long-range plan.

II. BUDGET SUMMARY

TABLE 1
1994 Budget by Program/Subprogram
(dollars in thousands)

	1993 Actual		1994 Appropriation		1995 Comm Request		1995 OMB Level	
	FTEs	Amount	FTEs	Amount	FTEs	Amount	FTEs	Amount
Hazard Identification and Analysis:								
Surveillance Data	19	$2,240	20	$2,371	20	$2,408	20	$2,370
Investigation Data	22	1,471	22	1,575	22	1,605	22	1,563
NPI/Petitions	12	917	15	1,215	15	1,315	15	1,209
Economic Studies	2	186	2	205	2	232	2	207
Program Support	6	1,090	7	986	7	1,017	6	865
Subtotal	61	5,904	66	6,352	66	6,577	65	6,214
Hazard Assessment and Reduction:								
Fire/Household Products	22	2,476	16	1,324	17	1,481	17	1,399
Electrical/Mechanical/Children	33	2,583	35	3,126	34	3,204	35	2,826
Chemical	19	1,841	22	2,044	19	1,741	18	1,403
Laboratory Support	7	727	7	726	6	760	6	509
Program Support	18	1,805	18	1,641	20	1,923	20	1,783
Subtotal	99	9,432	98	8,861	96	9,109	96	7,920
Compliance and Enforcement:								
Product Safety Assessment	24	1,810	24	1,999	24	2,021	24	1,881
Section 15 and 37 Activities	71	5,054	78	5,738	77	5,925	77	5,733
Regulated Products	76	5,557	71	5,327	66	5,177	63	4,710
Voluntary Standards Conformance	1	56	1	105	1	115	1	113
Advice/Contingencies	11	924	9	791	11	977	11	856
Program Support	6	736	7	644	7	1,083	7	595
Subtotal	189	14,137	190	14,604	186	15,298	183	13,888
Consumer Information:								
Hazard Projects	3	318	1	113	2	169	2	143
Continuing Publications and Outreach	12	1,150	16	1,402	15	1,334	14	1,301
Clearinghouse	7	423	7	536	7	554	7	539
Public Information Services	20	1,798	24	2,042	24	2,082	23	2,017
Program Support	3	342	4	354	4	448	4	415
Subtotal	45	4,031	52	4,447	52	4,587	50	4,415
Agency Management:								
Commissioners and Staff	13	1,381	13	1,356	13	1,398	13	1,380
Commission Advice/ Legal Guidance	14	1,266	14	1,405	14	1,449	13	1,280
Executive Direction	15	1,469	9	1,002	9	1,042	8	888
General Administrative Services	64	4,249	60	4,259	60	4,739	59	4,215
Subtotal	106	8,365	96	8,022	96	8,628	93	7,763
Relocation	--	5,021	--	1,279	--	--	--	--
Non-ceiling FTEs	23	--	16	--	14	--	--	--
TOTAL COMMISSION	523	$46,890	518	$43,565	510	$44,199	487	$40,200

Table 2
Summary of Changes, 1994 to 1995
(dollars in thousands)

	Amount	FTEs	Comments
1994 Request	$42,286	518	
Adjustments to Base:			
Price Changes:			
Salary Increase	+878	--	Net of one less day of pay offset by the 1994 locality pay (3.3%), 1995 pay raise (1.6%), benefit increases, and within-grade increases.
Space Rental	+110	--	Estimated GSA rate increase.
Inflationary Increase	+220	--	Inflationary increases for overhead expenses, excluding space rental.
Restoration of contracts	+588	--	Restores contract funds reduced in 1994 budget to fund locality pay.
FTE Reduction	-343	-8	Government-wide FTE reduction.
Administrative Reduction	-309	--	Government-wide administrative cost reductions.
Program Increases:			
Information Technology	+649	--	Returns automation plan to schedule.
FO Conference	+70	--	Provides field staff compliance training.
Section 15 Task Force	+50	--	Expert and litigation contract support for Section 15 Task Force.
1995 Commission Recommendation	$44,199	510	
Program Decreases	-3,999	-23	See Appendix for detail.
1995 OMB level	40,200	487	

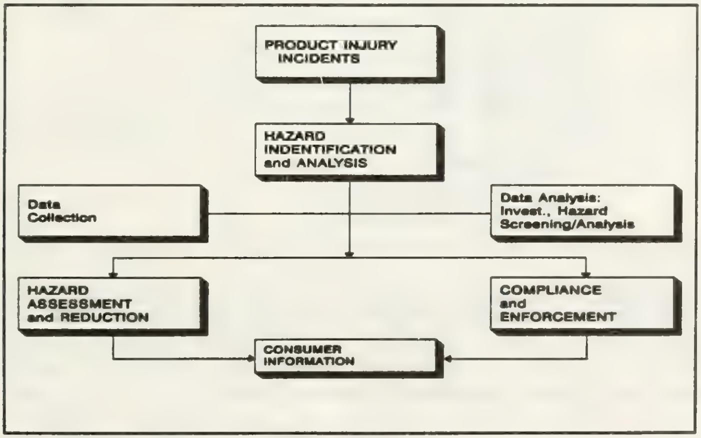
III. HAZARD IDENTIFICATION AND ANALYSIS

	1993 Actual		1994 Appropriation		1995 Commission Request		1995 OMB Level	
	FTEs	Amount	FTEs	Amount	FTEs	Amount	FTEs	Amount
Total Program.......	61	$5,904	66	$6,352	66	$6,577	65	$6,214

Goals and Strategies:

The Hazard Identification and Analysis (HIA) Program provides the information needed by the Commission to assess product-related hazards and develop appropriate injury reduction strategies. Successful risk-based decision making, as envisioned in the agency's long range plan, requires a strong hazard identification system.

The Commission collects surveillance data on consumer product-related injuries and deaths, as well as potential injury incidents. It also collects economic and hazard exposure information on products under the agency's jurisdiction. Investigation of specific injury cases provides additional knowledge about particular injuries or hazards and how the reported product was involved. Commission staff screen the hazard data and conduct analyses to determine if hazard reduction action should be taken under the Commission's Hazard Assessment and Reduction program, Compliance and Enforcement program, or Consumer Information program.


PRODUCT INJURY INCIDENTS
HAZARD INDENTIFICATION and ANALYSIS
Data Collection
Data Analysis: Invest., Hazard Screening/Analysis
HAZARD ASSESSMENT and REDUCTION
COMPLIANCE and ENFORCEMENT
CONSUMER INFORMATION

RELATIONSHIP OF HIA TO OTHER PROGRAMS

1994 Base Program:

The HIA program in 1994 provides data collection and data analysis services with 66 FTEs and $6.4 million. Data collection consists of gathering and processing basic injury data from many sources including hospitals, medical examiners, poison control centers, and news media. In 1994, the collection efforts are expected to provide these data:

NEISS Surveillance Cases..	280,000 (from 91 hospitals)
Death Certificates........	8,700
MECAP Reports.............	1,700
Newsclips.................	10,000
Other Incident Reports....	6,000

The Commission's data collection system is unique and serves as a national and international model. CPSC's data collection system is unique because it is timely (in some cases data are available within 24 hours after an incident) and produces statistically valid data on which injury reduction strategies are based. Several Federal agencies involved in health and safety issues rely on Commission injury data, including the Centers for Disease Control and Prevention, and the National Institute for Occupational Safety and Health.

The HIA program analyzes data under its Investigation Data, New Project Identification, and Economic Studies efforts. The screening and analysis capability was expanded in 1993 to reflect the Commission's commitment to risk-based decision making. In 1994, the analysis efforts are expected to produce these items:

Number of Investigations:	
On-Site/Other.............	1,000
Telephone.................	1,200
Hazard Screening Reports...	3
Project Analyses...........	4
Petitions:	
Pending, Start of Year....	5
Received During Year......	3
Processed.................	4
Product-in-Use Estimates...	120
Injury Cost Projections....	40

1995 Changes:

The strengthening of the risk-based decision making process continues with improvements proposed in 1995. The HIA 1995 Commission request consists of 66 FTEs and $6.6 million, an increase of $225,000 over 1994. This increase reflects the program's share of agency inflation increases necessary to operate at 1995 prices, the program's share of automation increase, and a small increase in contract support.

Contracts increase to continue strengthening the Commission's risk-based assessment system for developing and choosing future projects. An increase is requested to provide necessary report preparation support to the hazard assessment and screening effort. An increase is also requested to provide additional economic analysis in support of hazard identification and to provide for critical data base development.

The OMB level reduces this program from the Commission request by one FTE (2 percent) and $155,000 (ten percent) in contracts. In response to the OMB level, the Commission seeks to limit reduction in this program because it is the cornerstone of the agency's risk-based decision making process. The FTE and contract reductions, however, will hamper the agency's effort to improve its collection and analysis of data vital to risk-based decision making. The reduced contract support will mean reduced ability to analyze emerging hazards, as well as no investments in developing hazard databases.

Program Detail:

	1993 Actual		1994 Appropriation		1995 Commission Request		1995 OMB Level	
	FTEs	Amount	FTEs	Amount	FTEs	Amount	FTEs	Amount
Surveillance Data..	19	$2,240	20	$2,371	20	$2,408	20	$2,370
Investigation Data.	22	1,471	22	1,575	22	1,605	22	1,563
NPI/Petitions......	12	917	15	1,215	15	1,315	15	1,209
Economic Studies...	2	186	2	205	2	232	2	207
Program Support....	6	1,090	7	986	7	1,017	6	865
Total......	61	$5,904	66	$6,352	66	$6,577	65	$6,214

Surveillance Data

The Surveillance Data activity gathers preliminary data essential for the Commission to identify hazards and injuries associated with consumer products. This is the beginning of the Commission's risk-based decision process.

The OMB level does not contain any substantive change from the Commission request.

The National Electronic Surveillance System (NEISS) project continues to be the foundation for Commission efforts to collect information on product-related injuries. The NEISS project provides estimates of the frequency and severity of product-related injuries, and provides basic support for Commission action addressing most product hazards. NEISS will supply about 280,000 cases from a sample of 91 hospitals in 1995, the same level as in 1994.

The Mortality Data project continues two major Commission activities to collect information on product-related deaths. The death certificate activity involves the purchase and review of approximately 8,700 death certificates covering certain accidental deaths from all 50 states. The Medical Examiner and Coroner Alert Project (MECAP) involves collection and review of approximately 1,700 medical examiner and coroner reports from participating medical examiners and coroners throughout the country.

Data from both of these sources are used to produce estimates of the number of deaths associated with specific products and hazards and as a source of investigation leads to determine how certain types of product-related deaths occur.

The Incident Data project continues to include the collection and processing of approximately 10,000 news clips and 6,000 other incident reports from a variety of sources such as consumers, Federal, state and local governments, lawyers, physicians, and fire departments.

The Statistical Support project continues to provide technical assistance and review in support of the collection and analysis of injury data. Agency statisticians design the surveillance data systems, develop the investigation assignment plans, develop hazard-specific investigation questionnaires, generate estimates of the numbers and types of injury within each product and hazard area, and provide direct technical support to individual analysts in each hazard area.

Investigation Data

The Investigation Data effort continues to collect detailed causal information about certain incidents identified under the Surveillance Data subprogram. This is done by screening all data and by conducting investigations in support of emerging hazards or existing hazard reduction efforts. The information from investigations details how product-related injuries occur and becomes the basis for development of injury reduction strategies.

Telephone investigations are conducted of incidents reported through each of the data surveillance systems. A subset of these cases is then reassigned for on-site follow-up.

The OMB level cuts investigation contract support from the Commission request by $10,000 or 25 percent. This will eliminate the number of on-site investigations performed by state and local government. Thus reducing needed information on the cause and effect of injuries and deaths. This will impair the agency's ability to address product hazards.

New Project Identification/Petitions

This effort screens and analyzes potential hazards with new products, new uses for existing products, or previously unrecognized or unaddressed safety problems. This activity was significantly modified in 1993 to be more proactive, screening and analyzing hazards as early as possible, reflecting the Commission's commitment to risk-based decision making. In 1995, contract dollars increase for efforts that implement the Commission's long range plan and risk-based decision making.

The Hazard Screening project, the first stage of the hazard review effort, makes use of the large amount of data available through the Commission's data systems. In 1995, the Commission expects to receive 280,000 NEISS injury reports, 16,000 newspaper clippings and other incident reports, 1,700 medical examiners' reports, 8,700 death certificates, and 2,200 agency investigation reports. Each of these reports is reviewed within one week of receipt to identify new hazards. Staff of the technical directorates perform continuous review of incoming data, as well as systematic review of data on hand.

In 1995, effort will continue on the preparation of comprehensive reports on ten hazard areas. The objective is to prepare an analysis on each area, until at the end of the analysis cycle, all products and hazard areas have been covered, and the agency will have the means to compare any new project proposals in context with other products or projects. Each report will contain an assessment of injury and death data, economic data on injury cost and number of products in use, as well as human factors, engineering, and health sciences analyses where appropriate and available. The project will continually cycle through the reports to provide periodic updates.

This process assures that hazards are continuously reviewed and evaluated by the Commission's technical staff so that new project initiatives can be formulated as necessary to reduce unreasonable risks of injury. An increase in contract support is requested to provide for report preparation support.

The OMB level reduces the Commission request by $20,000 or 74 percent. The deleted funds were to be used to assist in the development of the 10 comprehensive hazard reports, which are the cornerstone to risk-based decision making for the agency.

Project Analysis continues to define and provide preliminary assessment of specific product, population, or hazard areas identified in the Hazard Screening effort and other risk-based identification activities. The analysis capacity will ensure that the most appropriate injury reduction strategies are implemented under the Hazard Assessment and Reduction program. Recommendations for future Commission projects or other remedial activities will be based on reports and memoranda prepared for this project.

Contract funds are used to enhance incident data collection and to provide detailed market studies, focus groups, physiological analysis and preliminary laboratory testing and evaluation.

The OMB level eliminates the $50,000 in the Commission request for support of project analysis efforts. The lack of contract support will hamper the Commission's ability to develop remedial strategies for product hazards in a timely manner. It also will curtail the development of projects for the HAR program.

The Petitions project continues to process requests from private parties seeking agency action on a perceived hazard. Work on petitions serves as an information source for the Hazard Screening and Project Analysis projects, regardless of whether a specific petition is granted or denied. In 1995, the project has been enlarged to allow for processing of an estimated five petitions, instead of three. This adjustment reflects the actual workload for the past several years and will help speed the process whereby the Commission responds to requests from private parties seeking agency action on a perceived hazard. The

Commission, in implementing its long range plan recommendations, has adopted new policies and procedures designed to speed the processing of petitions.

Economic Studies

This effort continues to provide specialized economic information to the staff, Commissioners, Congress, other agencies, and the public. About 40 injury cost projections will be developed to estimate potential benefits associated with Commission or other actions. About 120 product-in-use estimates are expected to be developed to determine recall effectiveness and consumer exposure to product hazards. In addition, hundreds of product-in-use and injury cost projections will be generated to support the Hazard Screening project. In 1995, there is an increase in contracts to fund additional survey planning efforts and small scale special studies on costs of injuries or illnesses, in support of the Hazard Screening and Project Analysis efforts and risk-based decision making in general.

The OMB level reduces the contract support in the Commission request for this project by $20,000 or 80 percent. This will cripple the Commission's ability to conduct the economic studies and surveys necessary to properly assess the costs of hazards being evaluated as part of the risk-based decision making process.

Program Support

This effort continues to provide direct program management support for the Hazard Identification and Analysis program. This includes support from the Office of Hazard Identification and Reduction, and the Directorates for Field Operations, Economic Analysis and Epidemiology. Also included is computer support for Hazard Identification and Analysis activities. An increase for automation and database development in support of the Hazard Identification and Analysis program is included in this program.

The OMB level reduces this subprogram by one FTE and eliminates the Commission's automation and database development effort; the share for this program is $55,000. The result will be to halt the establishment of the Commission Information System.

IV. HAZARD ASSESSMENT AND REDUCTION

	1993 Actual		1994 Appropriation		1995 Commission Request		1995 OMB Level	
	FTEs	Amount	FTEs	Amount	FTEs	Amount	FTEs	Amount
Total Program......	99	$9,432	98	$8,861	96	$9,109	96	$7,920

Goals and Strategies:

The Hazard Assessment and Reduction (HAR) program, through a balanced set of strategies, seeks to reduce a projected annual 21,700 deaths, 28.6 million injuries, and $150 billion in societal costs associated with consumer products.

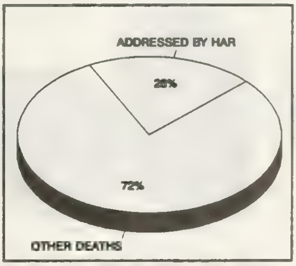
Any new consumer product hazards selected for action in this program will first be screened and preliminarily developed in the Commission's Hazard Identification and Analysis program. The Commission applies a set of priority criteria and makes a risk-based selection of hazards to be reduced under the HAR program.

The HAR program uses technical expertise to analyze accident and injury patterns to develop appropriate strategies for reducing hazards. The Commission has a wide range of regulatory and voluntary options available to reduce the hazards associated with consumer products. These include both mandatory and voluntary standards for product performance and product labeling, product bans, and development of consumer information and education materials. Whenever possible, reduction activities are carried out cooperatively by the agency with affected industries and state and local organizations.

The mandatory standards and bans that are developed in HAR are enforced in the Commission's Compliance and Enforcement program. The voluntary standards developed in HAR are monitored in the Compliance and Enforcement program. The information materials developed in HAR are used in information campaigns or for ongoing/seasonal activities in the Commission's Consumer Information program.

1994 Base Program:

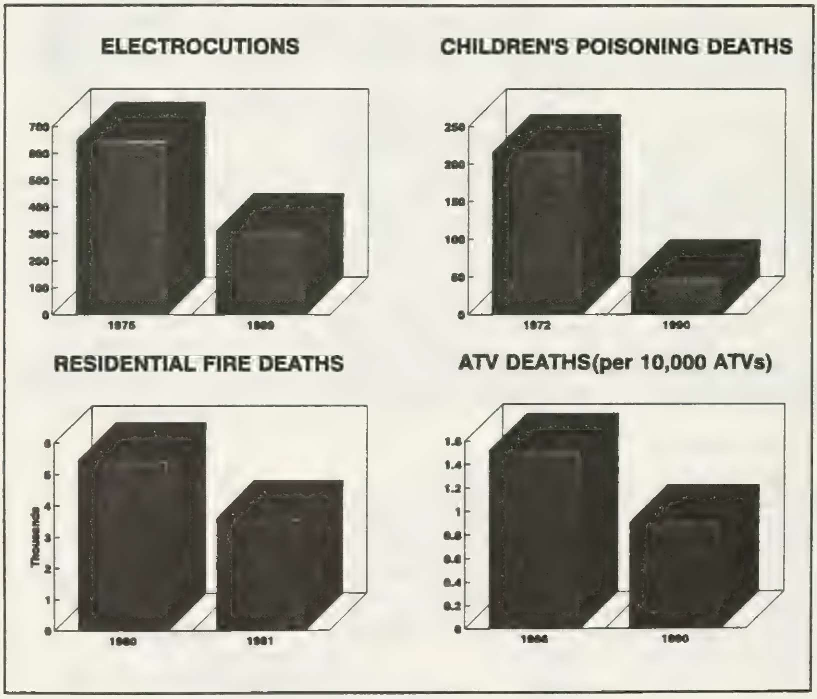
The HAR program in 1994 consists of 21 different hazard projects supported by 98 FTEs and $8.9 million. The consumer products covered by these projects are associated with an estimated 6,258 deaths, 1.2 million injuries, and societal losses in excess of $26 billion, excluding chronic chemical hazards. The deaths represent about 28 percent of the estimated annual 21,700 deaths related to consumer products.



DEATHS ADDRESSED BY HAR

The hazard reduction efforts in this program contributed to the 13 percent decline in a ten year period of deaths associated with consumer products. For example, Commission efforts helped:

- Reduce the number of electrocution deaths from 650 per year in 1975 to 310 in 1989, a reduction of 52 percent
- Reduce children's poisoning deaths from medicines and household chemicals, where child-resistant packaging is required, from 216 in 1972 to 49 in 1990, a reduction of 77 percent
- Reduce the number of residential fire deaths by 34 percent, from 5,450 in 1980 to 3,600 in 1991
- Reduce the number of all-terrain vehicle (ATVs) deaths by 40 percent from 1986 to 1990, despite a 15 percent increase in the total number of ATVs in use

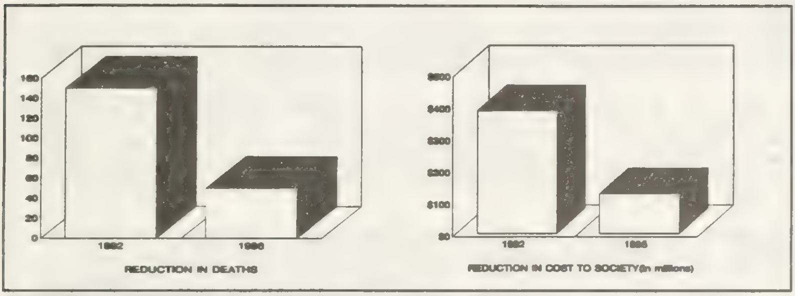

ELECTROCUTIONS

CHILDREN'S POISONING DEATHS

RESIDENTIAL FIRE DEATHS

ATV DEATHS(per 10,000 ATVs)

These four efforts alone account for $2.2 billion in annual savings. In addition, the newly enacted Commission rule that requires child-resistant disposable and novelty cigarette lighters has the potential of producing nearly $300 million in annual societal cost savings.



PROJECTED BENEFITS OF CIGARETTE LIGHTER STANDARD

1995 Changes:

The Commission 1995 HAR request consists of 96 FTEs and $9.1 million. This is a two FTE decrease from the 1994 level of 98 FTEs. The dollars increase by $0.2 million due to an increase in contract support costs, the program's share of the agency automation and database development effort, and the program's share of inflation costs.

The Commission 1995 request reflects program changes in the hazard reduction efforts in 1995. The HAR program contains 18 hazard projects in 1995. Five new hazard projects are included in the 1995 request. The societal costs addressed by the program are slightly higher than 1994 ($28.1 billion in 1995 vs. $26 billion in 1994). The 1995 program continues to apply a balanced set of product safety hazard reduction strategies (voluntary and mandatory standards, building code changes, and development of technical and consumer information).

The Commission 1995 request reflects:

1. Full funding of the priority project selected by the Commission, Home Electrical System Fires, a priority project also in 1994. This effort is directed at reducing the $1.4 billion annual cost to society related to fires associated with residential electrical wiring.

2. A decrease of two FTEs is part of the President's deficit reduction initiative.

3. An increase in hazard contract dollars of $39,000, providing a total of $760,000 for 1995. These funds are needed to provide critical testing and analytical support not available within the agency to hazard reduction project.

4. Funds are requested to continue modernizing the Engineering and Health Sciences laboratories, which directly support hazard reduction efforts. This level of funding is based on multi-year plans designed to maintain the laboratories' productivity and state-of-the-art capability.

5. Five new hazard projects are proposed in 1995. Of the five, two represent entirely new hazard efforts resulting from risk assessments: Range Fires and Ladder Electrocutions. Another project, Glycol Ethers, represents a new chemical hazard assessment effort.

Two of the new projects represents continuation and consolidation of prior efforts: Building Codes Coordination and Power Equipment Voluntary Standards. The Building Codes Coordination project also includes an effort to strengthen agency working relationships with code groups. This would enhance a key hazard reduction tool as recommended by the long range plan.

The OMB level maintains the Commission FTE level for this program but drastically cuts contract support. The OMB level cuts contract support by $961,000 or 86 percent. This includes a reduction of $625,000 to provide product testing and highly technical analytical support of nine hazard projects, elimination of all ($230,000) laboratory replacement funding, and the elimination of all ($106,000) in automation and database development funds. Nine hazard projects suffer from contract reductions with research and testing curtailed. The OMB level forces the Commission to reduce contract support for its proposed priority project, Home Electrical System Fires. As a result, the project is retained but the Commission cannot designate it a priority and imply it has full funding and is exempt from future budget reductions. The study of home heating, ventilating, and air conditioning systems designed to improve air quality for millions of people with acute and chronic respiratory problems is deleted as a result of contract cuts.

Program Detail:

	1993 Actual		1994 Appropriation		1995 Commission Request		1995 OMB Level	
	FTEs	Amount	FTEs	Amount	FTEs	Amount	**FTEs**	**Amount**
Fire/Household......	22	$2,476	16	$1,324	17	$1,481	17	$1,399
Electrical/Mech/ Children..........	33	2,583	35	3,126	34	3,204	35	2,826
Chemical............	19	1,841	22	2,044	19	1,741	18	1,403
Laboratory Support..	7	727	7	726	6	760	6	509
Program Support.....	18	1,805	18	1,641	20	1,923	20	1,783
Total......	99	$9,432	98	$8,861	96	$9,109	96	7,920

The injuries, deaths, property damage and societal costs (dollars in billions) addressed by efforts under the HAR program are summarized below. The selection of projects is generally based on magnitude of risk and the vulnerability of the injured population.

PROJECTS BY HAZARD GROUP	INJURIES	DEATHS	PROPERTY DAMAGE	SOCIETAL COST
FIRE/HOUSEHOLD PROJECTS: Fire & Gas Vol. Stnds.	21,000	4,300	$ 4.3	$ 13.8
Range Fires	26,800[1]	300[2]	0.3[2]	$ 1.4[1]
Fireworks	12,900	< 5	<$ 0.1	$ 0.1
Building Code Coordination	8,420[3]	790[3]	$ 0.2[3]	$ 2.333[3]
ELEC./MECH./CHILDREN PROJECTS: Home Electrical System Fires	1,370[2]	410[2]	$ 0.6[2]	$ 1.4[2]
Electrical Vol. Stnds.	12,200[4]	1,000[4]	$ 1.2[4]	$ 3.7[4]
Ladder Electrocution	--	65	--	$ 0.1
Power Equipment Vol. Stnds.	66,150	88	N.A.	$ 1.0
Infant Suffocation	--	200	N.A.	$ 0.4
Five Gallon Buckets	130	50	N.A.	$ 0.1
Children's Vol. Stnds.	648,000	800	N.A.	$ 8.4
Baby Walkers	28,500	< 5	N.A.	$ 0.3
Children's Sleepwear	120	< 5	N.A.	< $ 0.1
CHEMICAL PROJECTS: Indoor Air Quality (IAQ)	84,800,000[5]	N.A.	N.A.	N.A.
Glycol Ethers	N.A.	N.A.	N.A.	N.A.
Charcoal Labeling	400	25	N.A.	< $ 0.1
Lead Poisoning	14,000,000[5]	N.A.	N.A.	N.A.
Poison Prevention (PPPA)	120,000	49	N.A.	$ 0.8
TOTAL	927,560	6,112	$ 4.4	$ 28.1

N.A. = not available

1. Injuries of 4,800 and societal cost of $.4 billion are not included in TOTAL because they are included in the data listed for Fire & Gas Vol. Stnds.
2. These data are not included in TOTAL because they are included in the data listed for Fire & Gas Vol. Stnds.
3. Injuries of 5,770, deaths of 490, property damage of $.2 billion and societal cost of $1.1 included in TOTAL because they are included in the data listed for Fire & Gas Vol. Stnds.
4. Injuries of 6,490, deaths of 780, property damage of $1.2 billion and societal cost of $3 billion are not included in TOTAL because they are included in the data list for Fire & Gas Vol. Stnds.
5. These data are not included in TOTAL because they reflect estimates of the population which is particularly vulnerable to the effect of the hazard.

Data Sources: Injury, death and property damage data sources are NEISS (National Electronic Injury Surveillance System), NFIRS (National Fire Incident Reporting System), NFPA (National Fire Protection Association), news clippings, consumer complaints, death certificates, medical examiner reports, and NCHS (National Center for Health Statistics). Societal costs include estimates on injuries from CPSC Injury Cost model and other sources, property damage, and an assumed $2 million per statistical life.

Fire/Household

The Fire/Household subprogram is separated into two hazards: Fire and Thermal Burn Hazards and Household Structural Product Hazards.

This subprogram's FTE resources increase by one and its hazard contract support increases in 1995. Projects change with the ending of two substantial projects, CO/Fuel Gas Detectors (residual work assigned to the new Building Code Coordination) and Smoke Detectors (residual work assigned to the continuing Fire and Gas Vol. Stnds. project) and the addition of two new projects, Range Fires and Building Code Coordination.

Fire and Thermal Burn Hazards:

The goal of this effort is to reduce the large number of deaths and the frequency and severity of injuries resulting from fires involving consumer products. Fire is a leading cause of accidental home deaths among children less than five years old. An estimated 4,300 deaths, 21,000 injuries, and $4 billion in property damage resulted from 467,000 residential fires in 1990. There are also 26,800 injuries annually from range fires and 12,900 injuries annually associated with fireworks. The total cost to society of the hazards addressed here is estimated at $14 billion.

The Range Fire effort is a new project that will identify technological changes to reduce 92,500 annual residential structure fires that result in 300 deaths and 4,800 injuries, as well as 22,000 range-related burn injuries treated in hospital emergency rooms annually. Ranges (including ovens) are the single largest cause of residential fire and non-fatal injuries. They also are involved in more emergency room-treated thermal burn injuries than any other product. Cooking activities are the most common scenario involved.

Project activities include data collection to identify fire and burn scenario characteristics and provide focus for technological fixes. Other activities include engineering evaluation of technological devices capable of detecting incipient cooking fires, followed by testing to apply the most promising technology. Since ranges are relatively long-lived products, reduction of fire losses may be expected to take several years. The outcome of the project could be either a voluntary or mandatory standard, depending upon the response of the industry. The recommendation of a possible standard is scheduled for completion in 1997.

The OMB level reduces contract support by $15,000. Less data will be collected on fire accident mechanisms and product features involved in the incident. Remedial strategies will be developed based on less data and will not be as complete. This makes it more difficult to persuade manufacturers to make the safety improvements recommended by the Commission.

The Fireworks project continues to modify the current CPSC fireworks regulations designed to reduce the 12,900 annual emergency room-treated injuries associated with fireworks. Since fireworks imported to the U.S. generally are sold within a year, the effects of a modified regulation could be expected to occur rapidly. Project plans for 1994 include identifying areas of the standard to be revised, beginning staff work to develop details of potential revisions, and preparing a regulatory options package. In 1995, staff will complete technical work and prepare a briefing package with options for Commission consideration. The completion date for the project is estimated to be 1997.

The Fire and Gas Voluntary Standards project continues to develop building code provisions and product standards which will result in better, safer products and reduced fire risk. There are an estimated 4,300 deaths, 21,000 injuries and $13.8 billion in societal costs each year associated with fires, gas grills and gas heating equipment.

With home fire deaths still accounting for over 75 percent of all fire deaths, getting more effective and reliable smoke detectors in residences is one key to further reductions. Outside the home, fire and burn incidents involving LP-gas are dominated with reports of open-fired, cooking-grill mishaps.

Activities in 1995 include the following:

- o Implement several technological changes and improvements in the performance standards for smoke detectors
- o Present improvements for 20 pound LP-gas grill and filling systems to the ANTI voluntary standards committee
- o Examine use and installation instructions for all gas appliances to determine what improvements could enable the reader to distinguish which are life threatening and which are merely intended to ensure long trouble-free product life

This is an ongoing activity that will continue in future years looking at other gas products and other fire related issues.

The OMB level deletes contract support for this project ($10,000). The revision and coordination of guidelines for field investigation of incidents involving space heaters and gas grills will be delayed. This will delay the collection of specific data needed to identify and address hazards with space heaters and gas grills.

Household Structural Products Hazards:

Building Codes Coordination is a new project seeking to obtain safety improvements through changes in building codes. To achieve this broad goal a second purpose of the project is to establish a permanent working relationship with the model building code organizations, somewhat parallel to CPSC's present voluntary standards program. This effort will help implement the Commission's long range plan recommendation to strengthen agency working relationships.

Of the estimated 28.6 million injuries and 21,700 deaths associated with consumer products, fully two thirds occur in or around the house. Many types of household injuries can be addressed through measures that may be appropriate issues for adoption by the building codes. CPSC on occasion makes recommendations to the model building code organizations for adoption of specific items. The 300 residential CO deaths, 200 deaths due to fire and explosion of fuel gas, and 300 drowning of children in residential pools have led to CPSC action through building codes. About 790 deaths, 8,420 injuries, and $2.3 billion in societal costs are associated annually with household injuries addressed by this project.

1995 Activities include:

- Promote efforts to get CO/Fuel Gas detectors adopted by state and local jurisdictions for new construction
- Promote installation of CO/Fuel Gas Detectors by consumers
- Continued monitoring and defense of pool barrier requirements
- Develop a plan and approach to establish permanent working relationship with model building code groups

This is an ongoing project activity that will continue in future years looking at household structural hazards that can be reduced through building code changes.

The OMB level deletes contract support for this project ($15,000). As a result, swimming pool gate latch safety will not be assessed. Therefore, a possible upgrade to model building code swimming pool fencing requirements will not be developed. Gate latches are an integral part of the staff-developed swimming pool barrier code recommendations which are intended to address the 300 drownings of children under age five in residential pools each year.

Electrical/Mechanical/Children's And Recreational Products

This subprogram is divided into three product hazard areas: Electrical, Mechanical, and Children/Recreational hazards. The FTE resources for this subprogram decrease by one FTE and contract support increases because of the changes resulting from the ending of three projects and the start of two new efforts.

Electrical Hazards:

The goal of the electrical products hazard effort is to reduce the number of deaths and injuries resulting from the use of electrical consumer products. The Commission estimates that the electrical products addressed by the 1995 projects are involved in 230 electrocutions. Also, an estimated 149,900 residential structural fires involve electrical equipment. These fires result in about 770 deaths, 6,400 injuries, and $1.2 billion in property loss. They account for about 30 percent of all residential structural fires. The estimated annual societal cost of deaths, injuries, and property loss is $3.7 billion.

The Home Electrical Systems Fires is a priority project continued from 1994 that seeks to develop and promote ways to upgrade electrical wiring in older homes at reasonable cost. In 1990, home electrical systems were estimated to have been involved in 42,000 fires that resulted in

410 deaths, 1,370 injuries and $569 million of property loss. Total annual cost to society was approximately $1.4 billion. These fires account for eight percent of all residential fire deaths, and seven percent of all residential fire injuries.

Final outcomes include fire reinspection code provisions (1995 at the earliest) and consumer information (1995). Consumer information could immediately begin to affect fires and related deaths and injuries. It may be a number of years after the adoption of the reinspection code before enough homes are reinspected to affect a significant reduction in fires and the associated deaths and injuries.

Activities in 1995 include the following:

- promote an electrical reinspection code to appropriate authorities
- promote applicable new technology to code bodies, code enforcement authorities, fire authorities, and the insurance community
- by contract, construct and publicize demonstration electrical upgrading of several typical older homes
- prepare and distribute electrical system upgrading information for consumers

Activities in 1996, the final project year, will include further code and technology promotion.

The OMB level reduces contracts by $90,000 or 72 percent. Only one demonstration of how to upgrade wiring will be constructed. Four were originally planned to illustrate types of housing and appropriate upgrades for four different regions of the country. The scaled back demonstration will no longer represent the full range of wiring problems that exist in different geographic areas. This will decrease the overall effectiveness of the information being disseminated. Because of the contract reduction, the Commission no longer classifies this effort as a priority project.

The Electrical Voluntary Standards project continues to develop and support proposals for improving the electrical voluntary standards, predominantly Underwriters Laboratories (UL) and the American National Standards Institute (ANTI), and provisions of the National Electrical Code (NEC).

About 1,000 deaths and 12,200 injuries involving consumer products occur each year due to electrical shock and electrical fire hazards. Electrical fires account for nearly 20 percent of the total fire deaths annually. In addition to these deaths and injuries, property damage due to electrical fires amount to over $1.2 billion each year. Total annual societal cost is estimated at $3.7 billion. Efforts by the agency has contributed to a 52 percent reduction in deaths by electrocution from consumer products from 1975 to 1989.

Activities in 1995 include:

- Increase effectiveness of shock protectors like ground fault circuit interrupters and make them easier to install and maintain
- Implement recommendations previously developed for electric heat tape which is used for water pipe applications
- Develop technical material for consumer safety alerts and National Electrical Safety Month activities

This project is an ongoing activity that will continue in the future years looking at other electrical safety issues related to codes and standards.

The OMB level deletes contract support in this project by $20,000. Recommendations to address ground fault circuit interrupter (GFCI) miswiring and recommendations on GFCI consumer information will be developed in-house rather than contracted out. This will delay development of this information. Staff efforts on this project address approximately one-third of the 270 electrocutions and 10% of the 770 electrical fire deaths which occur annually.

The Ladder Electrocutions effort is a new project designed to identify technically feasible methods to reduce ladder electrocutions. Epidemiology data ranks ladders second only to household wiring as a source of product-related electrocutions. There were an estimated 65 deaths involving ladders each year between 1982 and 1985, the latest years for which national estimates are available. Of these about 40 percent (26) were consumers doing home maintenance, another 40 percent were doing home maintenance for pay and 20 percent (13) were working in non-residential locations. Staff believes many of the paid victims were not covered by OSHA regulations. No year-to-year trends in deaths could be established. The annual societal cost of home-related electrocutions is estimated at more than $100 million.

Remedies will focus on the upper part of the extension ladder, to isolate or insulate it from electrical current. Almost half the fatal accidents involved the top three feet of the ladder contacting the power line.

Activities in 1995 activities include the following:

- Identify possible protection techniques
- Award a contract to determine if ladder alteration with the proposed protection techniques is feasible
- Collect accident data
- Develop market information

In 1996, staff will complete an exposure survey and data collection and analysis. Recommendations for changes to voluntary standards will be proposed in 1996. Coordination will be maintained with OSHA throughout the project.

The OMB level deletes contract support by $212,000. Only one possible electrocution prevention technique will be investigated in-house instead of investigating multiple techniques. Other technically feasible protection techniques will not be pursued, decreasing the options and approaches available to remedy the problem. An additional FTE is added to the project in an effort to facilitate the in-house research effort.

Mechanical Equipment Hazards:

The goal of the mechanical hazards effort is to reduce the deaths and severe injuries associated with power tools and yard and garden equipment. The 1995 activity consists of one project.

The Power Equipment Voluntary Standards project will monitor voluntary standard activities for Riding Mowers, Chainsaws and Garage Door Operators. These three products are associated with an estimated 88 deaths and 66,150 hospital emergency room treated injuries, with a societal cost of $1 billion each year.

In previous years, the Commission staff has been actively involved in obtaining safety improvements in these three product areas. The improvements have already led to a reduction in deaths and injuries and will lead to further reductions in the future. Continued staff follow-up will assure that the staff proposals will be fully implemented.

Major 1995 activities include:

- Promote adoption of any Commission recommended changes to the voluntary standard for ride-on mowers in the areas of control layout, time-to-blade-access, and dynamic stability
- Monitor chainsaw voluntary standard committee's investigation of changes to the kickback and low kickback replacement chain requirements
- Monitor any changes in the entrapment provisions of the UL standard for Garage Door Operators which should be incorporated into the Consumer Product Safety Rule in accordance with the provisions of the Consumer Product Safety Improvement Act of 1990

The project will continue in future years, at reduced resource levels, to monitor voluntary standards of interest to CPSC in the power equipment area.

Children's and Recreational Products Hazards:

Unintentional injuries are the leading cause of death of children over one year of age. In addition, children are especially vulnerable to injuries resulting from accidents because they may not recognize hazards or may react to them inappropriately. The cost to society resulting from injuries and deaths associated with products in this hazard area exceeds $9 billion annually.

The Infant Suffocation project continues to seek reductions in the deaths of very young infants due to suffocation from soft bedding, and to identify product characteristics that contribute to infant suffocation deaths. Known unintentional infant suffocation deaths average about 200 each year. More infant suffocation deaths may be missed because they are indistinguishable at autopsy from Sudden Infant Death Syndrome (SIDS) deaths, about 5,400 reported annually. To date, it is unknown how many suffocation deaths may be misdiagnosed as SIDS; however some experts suggest it could be as high as 25 percent.

Specific guidelines identifying hazardous bedding for young infants developed by CPSC laboratories will be made available to manufacturers, if appropriate, and mandatory or voluntary standards may be developed for identified products. The labeling of products and campaigns to inform and educate parents of young children are the most likely outcomes.

Activities in 1995 include the following:

- A risk analysis report
- Health Sciences and Engineering Sciences laboratory testing of product characteristics completed
- Specific guidelines for soft bedding developed
- Focus group research for labeling, information and education campaigns
- Market sketches of identified products
- Briefing package with options for Commission consideration

Activities in 1996 include briefing the Commission, working with voluntary standards groups, continued work on labeling, and consumer information campaigns.

The OMB level deletes contract support by $51,000. Laboratory testing of some death scene and purchased bedding samples would be eliminated, narrowing the range of products evaluated. Focus groups to evaluate information and education and, labeling effectiveness would be eliminated compromising the effectiveness of some efforts.

The Five Gallon Bucket project seeks to reduce infant drowning in five gallon buckets through the development of voluntary standards. From 1984 through 1991, CPSC received reports of over 200 deaths to infants and toddlers from drowning in industrial buckets. Based on these data, staff estimates that each year 50 children drown in five gallon buckets. Most of the buckets are plastic and most of the victims are between 8 and 14 months of age.

In 1992, at the urging of the Commission, ASTM Subcommittee F15.31 was established to address this hazard. The Subcommittee's goals were to develop a labeling standard and, if feasible, develop a performance standard. An emergency labeling standard was completed in 1993, with a final labeling standard expected in 1994. The performance task force is expected to have its recommendations completed by the end of 1994.

Activities in 1995 include the following:

- Provide input and comment to draft versions of the performance standard
- Participate in ASTM Subcommittee and task group meetings
- Provide technical assessment of potential bucket re-designs to meet possible performance requirements

The completion date of the project depends on the amount of time needed for the ASTM Subcommittee members to approve a performance standard.

The Baby Walkers effort continues to determine the feasibility of developing a standard (voluntary or mandatory) that would reduce the risk of injury associated with baby walkers.

There were an estimated 28,500 emergency room treated injuries related to baby walkers in 1991; of these, 27,000 were to children under 15 months of age. About 80 percent of these injuries resulted from falls down stairs.

Activities in 1995 include the following:

- Report results of staff analysis of data on baby walker accidents and evaluate the feasibility of developing a standard
- Develop briefing package for Commission consideration of options to reduce baby walker accidents

These tasks will be completed in 1995. Completion date of the project depends on Commission decision.

Children's Voluntary Standards is a continuing project, whose goal is to work with voluntary standards committees to develop requirements to minimize identified hazards associated with children's products. In 1992 products in the children's voluntary standards project were estimated to have been involved in about 648,000 emergency room treated injuries and 800 deaths. Bicycle incidents possibly related to bike helmets accounted for approximately 750 of these deaths. The total annual cost to society resulting from incidents associated with products in this project is $8.4 billion.

Two new voluntary standards addressing entanglement/strangulation on infant bedding/soft goods and entrapment/strangulation in toddler bed structures are expected to be completed in 1995. Existing standards for the following products are being revised and may be republished in 1995:

- Toy Safety (choking, strangulation, flammability, etc.)
- Strollers (entrapment/strangulation in leg openings)
- Playground Equipment and Surfacing (falls, entrapment, entanglement, etc.)
- Bicycle Helmets (head injuries to young children)
- Bunk Beds (injuries resulting from structural failure)

Staff will develop a consumer buying guide and safety checklist that will be based on an existing standard for home playground equipment.

Many of the products in this project have a long life span. Therefore, it may be several years before the benefits of current activity become apparent. This is an ongoing project that, in future years, will continue to provide support to voluntary standards committees as needed.

Children's Sleepwear is a continuing project that seeks to amend the Children's Sleepwear standard to respond to changes in the market for children's sleepwear over the past 20 years without increasing the risk of ignition burn injuries. The amendments under consideration respond to changes in marketing practices, may reduce confusion in the marketplace, and could satisfy consumer preference for garments with natural fibers. Sleepwear-related burn injuries to children are estimated at about 120 per year. The possible amendments under consideration are for tight fitting sleepwear and infants sleepwear; these garments would remain subject to the general wearing apparel standard.

A staff options briefing package will be completed in 1994, with an expected completion in 1995.

Chemical

The goal of the Chemical Hazards effort is to reduce the number of deaths, injuries, and illnesses resulting from exposure to hazardous chemicals in consumer products. It is estimated that more than 400,000 emergency room admissions occur each year for severe asthma attacks, the majority in children as a result of indoor air exposure to allergens. An estimated four million children under the age of six years can be classified as lead poisoned. In 1990, 49 children under age five died following the accidental ingestion of toxic household chemicals. The human and economic costs of these dramatic events are obvious: the estimated annual costs of treating asthma alone in children is $932 million, with health care expenditures exceeding $4 billion dollars for all age groups. The FTEs for this subprogram decrease by three resulting from the ending of three projects and the start of one.

Indoor Air Quality (IAQ) continues seeking to reduce exposure to indoor air pollution (IAP) caused by consumer products. Specifically, CPSC is working in two major areas: 1. Investigating heating, ventilating, and air conditioning (HVAC) systems as a possible means to improve residential IAQ, and 2. Determining the hazard posed by the chemicals released from carpeting systems. Final outcomes could include building code changes, voluntary or mandatory standards, and consumer information.

Health effects associated with IAP include acute and chronic respiratory illnesses, neurobehavioral disorders, cancer, and death. Presently, the precise contribution of IAP to the development of disease or exacerbation of preexisting disease is unknown. However, even if only a small portion of disease is due to IAP, the absolute number of illnesses that could be prevented and health care costs saved by reducing IAP, would be large. For example, in 1989, 84.8 million chronic respiratory conditions (a category ranging in severity from chronic obstructive pulmonary disease to asthma to chronic sinusitis) were reported. Furthermore, it has been estimated that more than 400,000 emergency room admissions occur each year for severe asthma attacks, the majority in children as a result of indoor air exposure to allergens. The human and economic costs of these dramatic events are obvious: the estimated annual costs of treating asthma in children is $932 million, with health care expenditures exceeding $4 billion dollars for all age groups. The costs associated with lost work days and the deterioration in quality of life increase the estimated annual costs.

Activities in 1995 include the following:

- o Implementing recommendations from prior years' analysis of HVAC systems, that may include changes in HVAC design and operation
- o Completing a hazard assessment for carpet systems and presenting recommendations for hazard reduction to the Commission if warranted
- o With other Federal agencies, assisting in the planning of an international conference on IAQ for 1996

Activities in 1996 include completing the assessment of HVAC systems and participating in the conference. Efforts on carpet systems may extend beyond 1995 depending upon the results of the hazard assessment.

The OMB level necessitates the elimination of the work on completion of the HVAC systems (two FTEs and $100,000 in contract support). Preliminary studies indicate that modifications to HVAC technology show promise for improvements in the quality of residential indoor air. This halts progress that CPSC has made in this area. CPSC is the only Federal agency working in this important area. The OMB level also deletes agency support ($25,000 in contracts) and consumer product safety perspective to the international conference on IAQ.

The Lead Poisoning project continues to seek ways to prevent lead poisoning. Lead poisoning retards the mental and physical development of children, and may occur if mothers have been exposed to excessive lead. An estimated four million children under the age of six years can be classified as lead poisoned.

The 1995 activities reflect a progression of project activities in prior years, as well as interaction with other Federal agencies' lead poisoning programs. The final outcomes of the project include: consumer information, development of voluntary standards for lead paint abatement materials and methods, and the encouragement of labeling designs and cautionary language for labels or instruction tags for consumer products identified in 1994 as used by consumers in repainting.

Activities in 1995 include the following:

- Development of consumer information on lead alternative products to increase consumer's awareness that lower or non-leaded choices are available
- Continued development of consensus standards for lead paint abatement materials and methods, such as consumer test kits and encapsulants
- Continued encouragement of labeling designs and cautionary language for labels of instructional tags for products identified as used by consumers in repainting (this could lead to voluntary or mandatory standards)

This project is expected to be completed in 1995.

The Poison Prevention project continues to seek reductions in injuries and deaths associated with children's ingestion of household chemicals. In 1990, 49 children under age five died following the accidental ingestion of toxic household chemicals. An estimated 120,000 children under age five received emergency hospital room treatment in 1991 from poisonings. Over 10,000 of these cases required hospitalization. Commission efforts through promulgation and enforcement of the regulations of the Poison Prevention Packaging Act (PPPA) have played a role in reducing medicine and household chemical poisoning deaths of children from 216 in 1972 to 49 in 1990. However, societal costs of over $800 million are still estimated for poisoning incidents.

The final outcome of the project is rulemaking to limit access of young children to toxic household chemicals. Activities in 1995 include the following:

- Prepare draft final rule briefing packages for the Commission on substances proposed under PPPA in 1994
- Prepare proposed rules under PPPA for three substances reviewed and ranked in 1994
- Review chemicals identified as potentially hazardous

These activities are ongoing efforts.

The OMB level eliminates all contracts for this project ($84,000). Data on ingestions of regulated substances will not be purchased from the American Association of Poison Control Centers (AAPCC) and special studies on ingestions of particular drugs will not be conducted with AAPCC. In addition, data on drug marketing practices will not be purchased. This will decrease the scope and depth of drug information available to identify new hazards which may require child-resistant closures.

Glycol Ethers is a new project that seeks to determine the level of consumer exposure to low molecular weight glycol ether solvents, assess the possible adverse health effects (risk) associated with these levels, and propose any risk reduction actions that may be appropriate. Glycol ethers are found in inks, paints, varnishes, lacquers, and cleaners.

Low level exposure to glycol ethers is associated with severe adverse developmental and reproductive effects in animals. Two recent epidemiological studies indicate that individuals exposed to these low molecular weight glycol ethers at levels below the accepted threshold limit values and permissible exposure limits may face an increased risk of miscarriages, spontaneous abortions, and delays in becoming pregnant.

The final outcome of the project depends on the risk found. Activities in 1995 include the following:

- o Investigation of the use of low molecular weight glycol ethers in consumer products
- o Determination of the health effects associated with the levels of glycol ether reported

The completion of the project depends upon the level of risk determined once 1995 activities are completed.

The Charcoal Labeling project continues to develop for Commission consideration a revision of the label currently required on packages of charcoal. It is estimated that each year 25 non-fire related carbon monoxide poisoning deaths are associated with the use of charcoal burning appliances.

The proposed revisions will strengthen the hazard information and remove possibly misleading statements regarding "adequate" ventilation.

Activities in 1995 include the following:

- o Prepare briefing package containing options, including draft notice of proposed rulemaking (NPR), for Commission consideration
- o Respond to public comments on NPR and prepare final briefing package

This project will be completed in 1996.

Laboratory Support

The Laboratory Support project continues to provide operation of the Commission's two laboratories, Engineering Sciences and Health Sciences, in support of all projects that require testing of products. Equipment funding will result in faster scientific analysis, greater productivity, and greater ability to respond to hazard reduction projects with cost effective state-of-art analysis.

The OMB level deletes all ($230,000) laboratory equipment replacement funding and $3,000 from general laboratory support funds. The planned upgrading of aging equipment with modern equipment is stopped. Because

scientific testing technology is constantly improving, continued upgrading of equipment is recommended if the laboratories are to remain efficient and accurate. This adversely affects all hazard projects as well as agency compliance and enforcement efforts.

Toxicity Support is a continuing project that provides essential support for in-house risk and exposure assessments, quick responses and advice to meet unplanned needs, participation in the National Toxicology Program, and other health related programs and activities. The project includes the continuing monitoring and review of toxicity data on methylene chloride and its substitutes to assess the relative health risks of the major paint stripping formulations. The project also supports participation in activities of the Organization for Economic Cooperation and Development (OECD) and other international organizations dealing with harmonization of chemical testing and classification systems. This includes close interaction with other Federal agencies to develop national positions on these issues.

Program Support

This subprogram includes program administration for all hazard projects. In addition to support time allocated from Commission offices and directorates this subprogram includes voluntary standards coordination, international program coordination, legal support, professional development, and computer costs associated with this program. The FTE increase in this subprogram reflects the addition of a new activity (Professional Development with two FTEs).

The Professional Development a new activity for 1995, allows professional staff to prepare product safety papers to be presented to the scientific or product safety communities. This limited effort will enhance agency staff development and advance work directly related to product safety. This effort contributes to implementation of the long range plan recommendations to foster staff development efforts that promotes risk-based decision making.

The subprogram also includes $106,000 for the HAR program share of the Commission's automation and database development. This effort will provide centralized hazard databases that will facilitate and speed up hazard analyses.

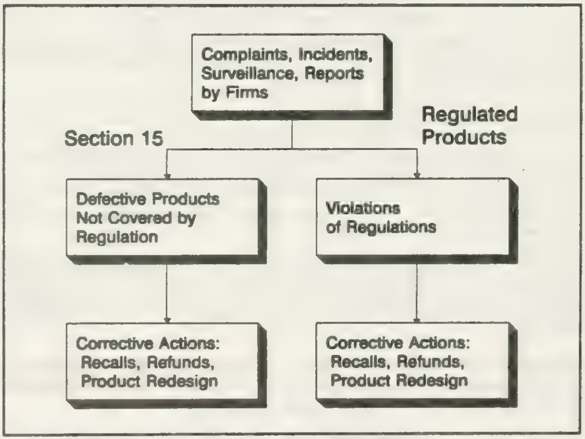
The OMB level deletes the full $106,000 funding allocated for automation and database development. The result will be to halt the establishment of the Commission Information System.

V. COMPLIANCE AND ENFORCEMENT

	1993 Actual		1994 Appropriation		1995 Commission Request		1995 OMB Level	
	FTEs	Amount	FTEs	Amount	FTEs	Amount	FTEs	Amount
Total Program.....	189	$14,137	190	$14,604	186	$15,298	183	$13,888

Goals and Strategies:

The Commission's Compliance and Enforcement (CE) Program has two primary goals: first, to enforce regulations issued by the Commission; and second, to identify and remedy products that present substantial product hazards. To carry out these objectives the Commission maintains an active program to identify violative or defective products, to analyze the risk associated with those products, and, where appropriate, to obtain corrective action. Corrective action takes place by working cooperatively with industry and, as a last resort, through litigation. Cooperative efforts also extend to working with industry to convey regulation requirements through joint CPSC/trade seminars, workshops at trade shows, and other means.


Complaints, Incidents, Surveillance, Reports by Firms
Section 15
Regulated Products
Defective Products Not Covered by Regulation
Violations of Regulations
Corrective Actions: Recalls, Refunds, Product Redesign
Corrective Actions: Recalls, Refunds, Product Redesign

CE PRIMARY PROGRAMS AND RELATIONSHIP

1994 Base Program:

The CE program for 1994 consists of 190 FTEs and $14.6 million. This is the largest Commission program with one-third of the agency's resources. In 1993, as a result of Commission efforts, over 58 million noncomplying or hazardously defective products were subject to a corrective action plan, or stopped from entering the marketplace. Undoubtedly these actions have reduced injuries and deaths to consumers. The Commission accepted civil penalties totalling $255,000 in 1993 and 177,500 to-date in 1994 from firms that failed to report hazardous products as required by various statutes or sell products which violate regulations. Examples of products subject to Commission action include such products as baby cradles, electric home appliances, bicycles, computers, hazardous chemicals and fireworks.

1995 Changes:

In the Commission request, the CE program continues with its resources consuming about one-third of the Commission's budget. The program includes a major new effort to strengthen the compliance program consistent with the long range plan. FTEs decrease by four and dollars increase by $694,000. The dollar increase reflects the program share of 1995 inflation, the program share of the automation increase, program contract increases, and a salary decrease for the FTE reductions.

The 1995 request reflects these changes:

1. The Section 15 subprogram decreases by one FTE as a share of the President's deficit reduction effort. The program continues the new Section 15 task force designed to strengthen Section 15 enforcement. The task force is designed to identify firms who have failed to report, as required by Section 15 of the CPSA, the more serious product hazards. These hazards will be investigated and appropriate corrective actions obtained along with civil penalties, if appropriate. In addition to already funded FTEs, new funding of $50,000 is requested to provide expert and litigation support for the task effort.

2. The Regulated Products effort decreases by five FTEs as a result of the transfer of two FTEs to the companion program Advice/Contingencies and the need to reduce agency FTEs under the President's deficit reduction plan. In 1995, three projects (bicycles, mattress pads, and baby walker/jumpers) are discontinued. A new project is created to cover all flammability standards under the Flammable Fabrics Act (FFA) and renamed (FFA Enforcement); this project includes a continued 1994 effort, Children's Sleepwear.

3. An increase of $427,000 is included as part of the Agency's automation and database development effort for this program. This is integral to finding and identifying violative products.

The OMB level reduces the Commission request for this program by three FTEs (two percent) and $867,000 in contract support (88 percent). Two of the three FTEs reflect the deletion of State and local projects designed to foster investigations and recall effectiveness checks on

behalf of the agency by state and local governments. Another FTE reduction represents decreased litigation support by the Agency's Office of the General Counsel.

The contract decreases include elimination of state and local contracts ($200,000), including $100,000 to assist in monitoring all-terrain vehicles dealer and industry compliance. Also reduced are $192,000 (62 percent) in contract support to a wide-range of projects. These reductions will mean general across-the-board weakening of the enforcement of the regulations and laws governing consumer product safety thus causing preventable injuries and deaths to Americans.

Program Detail:

	1993 Actual		1994 Appropriation		1995 Commission Request		1995 OMB Level	
	FTEs	Amount	FTEs	Amount	FTEs	Amount	FTEs	Amount
Product Safety Assessment...........	24	$1,810	24	$1,999	24	$2,021	24	$1,881
Section 15/37 Activity.	71	5,054	78	5,738	77	5,925	77	5,733
Regulated Products.....	76	5,557	71	5,327	66	5,177	63	4,710
Vol. Stds. Conformance.	1	56	1	105	1	115	1	113
Advice/Contingencies...	11	924	9	791	11	977	11	856
Program Support........	6	736	7	644	7	1,083	7	595
Total...........	189	$14,137	190	$14,604	186	$15,298	183	$13,888

Product Safety Assessment

The Product Safety Assessment (PSA) project continues to provide rapid and authoritative technical evaluations of newly identified product hazards. Technical support is provided for making substantial product hazard determinations under Sections 15 and 37 of the CPSA and Section 15 of the Federal Hazardous Substance Act (FHSA), and for identifying new classes of product hazards. Technical assessments evaluate any one or all aspects of the product, such as marketing data, the epidemiology of deaths and injuries, human factors considerations, medical analysis, and engineering design features. This activity continues unchanged from 1994 to 1995.

The OMB level reduces the Commission request for Product Safety Assessment by $72,000 or 63 percent. The reduced contract funds will lessen the technical testing required to determine if a substantial product hazard exists under Section 15 of the CPSA and FHSA. Resulting in fewer defective products being removed from the marketplace thereby placing consumers at increased risk of injury and death.

Section 15 and 37 Activities

	1993 Actual	1994 Appropriation	1995 Commission Request	1995 OMB Level
Section 15 (b) reports received..............	200	210	210	210
Section 37 reports......	150	150	150	150
Investigations conducted	325	325	355	310
In-depth Injury investigations........	1,100	1,100	1,100	1,000
Inspections conducted...	300	300	325	290
Corrective actions initiated............	125	125	125	120
Recall Effectiveness checks*..............	1,016	600	700	500
Litigation cases initiated............	--	5	5	2
Negotiated civil penalties............	5	10	10	10

* 1993 data include checks done at other agencies' initiative and provided CPSC; 1994-95 data only include CPSC-initiated checks.

Under Section 15 and 37 Activities, the Commission continues to obtain information on potentially defective and hazardous products from many sources, including staff investigations, consumer complaints, trade complaints, state and local referrals, leads from coroners, Freedom of Information Act inquiries, requests for Commission incident data, and private sector product liability suits. The total FTEs for the Section 15 effort decrease by one and reflect the program share of the President's deficit reduction program.

Industry under-reporting continues to be an area of concern to the Commission. To enable the Commission to identify and evaluate potential hazards, since 1972 the Consumer Product Safety Act (CPSA) has required manufacturers to report information about hazardous products to the Commission. New provisions of Section 37 and the strengthening provisions of Section 15 of the CPSA have given the Commission expanded tools to identify substantial product hazards.

Under Section 15, the Commission generally obtains voluntary cooperation from firms to remove potentially hazardous consumer products from the marketplace. Where voluntary action is not forthcoming, the Commission uses its litigation option. The agency will continue to attend industry seminars and provide CPSC pamphlet guide and the recall handbook to assist firms in being aware of their reporting obligations and development of recall programs.

In the past, industry has tended to report lower level product hazards, while the more serious hazards, which result in deaths and grievous injury, have been uncovered by the Commission. In 1994, the Commission established a Section 15 Task Force. The task force will attempt to identify firms failing to report the more serious product hazards. Appropriate product corrective actions and civil penalties, if appropriate, will be sought. This task force represents a new way of looking at the problem and strengthens the Section 15 effort as recommended by the long range plan. The 1995 Commission request includes $50,000 in contract funds to support this vital effort.

The OMB level reduces the Commission request for Section 15 activities by deleting all program contract support ($95,000). This includes $50,000 for support of the new Section 15 task force. The impact of these cuts will reduce the number of corrective actions of the more serious defective products. Another $45,000 represents the deletion of state and local funding which purchased in-depth investigations, recall effectiveness checks, and source development in support of Section 15 activities. This will adversely affect all aspects of the Section 15 activities.

Regulated Products

	1993 Actual	1994 Appropriation	1995 Commission Request	1995 OMB Level
Samples collected........	2,000	2,100	1,900	1,600
In-Depth injury investigations.........	65	100	100	75
Inspections conducted....	1,455	1,000	870	800
Violative products.......	1,174	900	650	625
Products recalled........	191	115	100	90
Recall effectiveness checks.................	777	950	950	800
Litigation cases initiated..............	2	6	6	6
Negotiated civil penalties..............	6	15	10	6

The Commission continues to monitor industry compliance with CPSC rules and regulations and obtains corrective action if violative products are identified. The activities include industry directed information/education, import surveillance, retail surveillance, firm inspections, sample collections and analysis, product testing, and litigation when appropriate. As noted above, an estimated 650 violative product models will be identified and removed from the marketplace and an estimated 100 product recalls will be initiated involving products that exhibit serious violations. Civil penalties will be assessed against firms that have knowingly violated the law, and seizures, injunctions, and criminal prosecution will be pursued as appropriate to stop the sale of violative products.

The 1995 request for Regulated Products is reduced by five FTEs. Two FTEs are transferred to the Advice and Contingencies subprogram based on the revised workload assessments. The other three FTEs represent the program's contribution to the President's deficit reduction initiative.

Enforcement activities under this activity fall into one of three categories. The first category covers activities initiated immediately following the effective date of a new regulation developed under the Hazard Assessment and Reduction program. Cigarette lighters falls into this category.

The second category covers activities initiated based on the agency's comprehensive plan to systematically assess industry compliance with its rules and regulations. The level of noncompliance among industries regulated by the agency varies from industry to industry, but generally increases when the Commission does not periodically check industry compliance. For the first time, all activities of this nature are consolidated under the on-going Comprehensive Plan project. The project categories covered in 1995 are baby rattles, lawn darts, clacker balls and coal/woodburning stoves.

The third category of enforcement activities are those initiated based on continued unacceptable levels of noncompliance, incident data and consumer/industry complaints. The 1995 projects falling into this category include toys and children's products, fireworks, FFA enforcement, household chemicals, and Poison Prevention Packaging Act enforcement.

Several of the more significant 1995 Regulated Product projects are discussed below.

Cigarette Lighters is a continuing enforcement effort in 1995. The agency issued a child-resistance requirement for cigarette lighters in late 1993 with an effective date in late 1994.

The OMB level deletes contract support ($20,000) for enforcement testing. Only lighters which are clearly not child-resistant will be acted on. Lighters which appear to meet the child-resistant requirements but would still fail the protocol testing may only be discovered through injuries or other complaints.

The Toys and Children's Product Enforcement effort continues to address compliance problems previously identified, particularly toys intended for children under three years of age with small parts. The effort also covers any complaints and issues brought to the attention of the Commission in 1995.

The OMB level deletes $20,000 in contract support which would test and identify possible violative products. Most violations are small part, therefore increasing the risk of choking hazards to children.

Household Chemical Enforcement continues the enforcement of art materials labeling requirements based on the guidelines for defining chronic hazards and FHSA enforcement activities involving serious labeling violations.

The OMB level reduces contract funds by 50 percent ($15,000). This will reduce the number of biological test by half. These test provide information on products which violate FHSA warning label requirements. Ten products which are suspected of violations will not be tested.

PPPA Enforcement continues the enforcement of child-resistant packaging requirements. This includes packaging of prescription drugs by pharmacies, over-the-counter drugs and all household chemicals requiring child-resistant closures. State/local contract dollars decrease slightly but continue to stimulate the flow of incident data (involving the failure to use child-resistant closures on prescription drugs) from poison control centers to appropriate state enforcement agencies. The project continues the effort to encourage all State Boards of Pharmacy to handle the enforcement of the agency's requirements for packaging prescription drugs along with their own enforcement responsibilities.

The OMB level reduces contract support by $45,000. This eliminates $30,000 in contracts to stimulate enforcement of prescription drug child-resistant closures by state and local officials. The remaining $15,000 reduces protocol testing by 43 percent. These test are done to determine violations of child-resistant closures on both drugs and household chemicals. Between two and four safety closures will not be tested for violations and could result in children ingesting hazardous chemicals or drugs.

The Fireworks Enforcement effort continues to monitor compliance with the ban on large reloadable tube shell devices and conformance with the voluntary industry certification program for Class C fireworks intended for consumer use. The project also includes resources to continue enforcement activities related to illegal Class B fireworks.

The OMB level deletes $10,000 in state and local government contract funds which were to stimulate Class B fireworks enforcement activities by state and local officials. This eliminates the Commission's ability to use states for enforcement of the most dangerous Class B fireworks.

Flammable Fabrics Act Enforcement a new project includes the 1994 product specific project for children's sleepwear and covers the enforcement of all Flammable Fabrics Act (FFA) flammability standards.

The Comprehensive Plan project continues to statistically evaluate compliance with CPSC regulations. The product categories that are proposed for survey in 1995 are baby rattles, lawn darts, clacker balls, and coal/woodburning stoves.

The OMB level reduces the Commission request for Regulated Products by three FTEs (five percent) and $125,000 (68 percent) in contract support. One FTE represents less litigation support by the Office of the General Counsel. The other two FTE reductions mean less field support of enforcement investigations. The contract reductions include deletion of protocol testing for the new enforcement effort on cigarette lighters; deletion of state and local support for fireworks, toys, and other product areas; and, reduced support for PPPA and household chemical enforcement efforts.

Voluntary Standards Conformance

	1993 Actual	1994 Appropriation	1995 Commission Request	1995 OMB Level
Standards monitored....	1	1	1	1
Inspections conducted..	20	35	35	35
Samples collected......	30	50	50	50

This effort continues to provide support for monitoring conformance with specific voluntary standards. Section 7(b) of the CPSA directs the Commission to devise procedures to monitor compliance with certain voluntary standards, including those voluntary standards which were developed with the participation of the Commission and those voluntary standards which were the subject of Commission monitoring during their development.

There is no change proposed in this program for 1995. One voluntary standard monitoring activity will be selected by the Commission during the development of the 1995 operating plan. Activities may include firm inspections to examine products being offered for sale, import surveillance, and retail surveillance.

Advice/Contingencies

This effort continues to provide resources to react to compliance problems not covered by product-specific projects under the Regulated Product subprogram and to monitor the All-Terrain Vehicles (ATV) consent decrees. It also includes staff time used by the Commission to inform industries of Commission requirements for their products, and to educate them through seminars and discussion letters. The resources allocated to this subprogram fluctuate from year to year depending upon the need to use resources in other subprograms as unforeseen compliance issues emerge. This subprogram increases by two FTEs transferred from the Regulated Products subprogram.

Under General Ongoing Compliance, complaints and problems identified during 1995 involving regulated product categories not covered by product-specific projects under the Regulated Products subprogram will be addressed under the project. These product categories may include lawn mowers, coal and wood burning stoves, CB antennas, architectural glazing, and cellulose insulation.

Under Advice and Guidance, the Commission will continue to provide advice and guidance to industry prior to introduction into commerce of products under development. Experience has shown that working with the regulated industries to prevent problems is more cost effective, both to the firms and to the consuming public, than correcting problems after they occur.

The ATV Monitoring project continues in 1995 to monitor distributor and dealer compliance with the requirements specified in the final consent decrees. Violations of the consent decrees will be addressed immediately and necessary casework will be prepared.

The OMB level reduces the Commission request of the ATV monitoring project by deleting all the contract support ($100,000). The agency will still retain its capability to review compliance reports by parties

covered by the consent decrees but the agency will no longer fund state and local on-site visits and investigations.

Program Support

This activity provides coordination of the Compliance and Enforcement program, provides overall direction, and presents major issues for Commission consideration. The 1995 FTE level remains the same as in 1994 but the Commission allocates $427,000 to this program as part of the agency's overall automation and database development.

The OMB level eliminates all funding in this program for vital automation and database development by $475,000 ($427,000 in new funds and $48,000 in base program funds). Modernization of databases required by investigators and compliance officers to identify violative products will not be undertaken, and they must continue using aging, incomplete, and inefficient data systems.

VI. CONSUMER INFORMATION

	1993 Actual		1994 Appropriation		1995 Commission Request		1995 OMB Level	
	FTEs	Amount	FTEs	Amount	FTEs	Amount	FTEs	Amount
Total Program......	45	$4,031	52	$4,447	52	$4,587	50	$4,415

Goals and Strategies:

- The two primary goals of the Consumer Information (CI) program are: one, to alert the public to recalled products, safety information and regulatory actions designed to reduce product hazards and, two, to collect injury data from the public.

Alert the Public -

- Information on the safe use of products helps prevent the misuse of certain products and increases consumers' overall awareness of product safety.
  - The product safety findings of the Hazard Assessment and Reduction program are distributed to consumers through information programs and publications.
  - The recall and compliance efforts of the Commission are disseminated by the CI program.
  - Consumer information efforts are sometimes the only viable hazard reduction action, but consumer information always complements hazard reduction and compliance efforts.
  - The Commission targets its efforts to reach vulnerable consumers, including non-English speaking, low-income, and the hearing-impaired.
  - The Commission provides vital information concerning product recalls through its toll-free telephone Hotline.
  - The Commission's Clearinghouse and its Freedom of Information Office fulfills data requests from product safety researchers, primarily from lawyers, manufacturers, and the media.

Collect Injury Data and Consumer Complaints -

  - The Commission collects injury data and consumer complaints through its toll-free telephone Hotline. The product information received is evaluated by CPSC's Hazard Identification and Analysis program.

1994 Base Program:

The base Consumer Information program is supported by 52 FTEs and $4.4 million divided among several efforts. The Hazard Projects effort provides the consumer information element (sometimes the only viable reduction tool) to HAR and CE hazard reduction efforts. In 1994, the Commission will conduct information campaigns on lead poisonings and pool safety. The effort also provides limited funds to state and local agencies to develop their own ongoing independent safety programs.

The Continuing Publications and Outreach effort provides consumers with a broader range of consumer information materials other than under the Hazard Projects effort. Included in this effort are the annual information programs conducted to maintain consumers' awareness of recurring safety problems. The program's workload involves these items:

Different publications printed....................	15
Publications distributed (millions).................	1
News releases/public announcements..............	140
News conferences/events.......	12

The Commission stocks nearly 60 titles on subjects such as playground safety, older consumer safety, home fire safety, baby safety, and indoor air quality, including asbestos in the home. Evaluations of three previous information campaigns have shown that 81 percent of recipients of CPSC publications increased their knowledge of hazards or used CPSC checklists to check their homes to make safety improvements. (Evaluations were performed by an independent contractor in 1984 on these publications: Electrical Safety, Home Heating, and Older Consumers.)

The Clearinghouse provides injury data to the public as required by Section 5 of the Consumer Product Safety Act. Section 6 of the Act requires the Commission to provide to manufacturers of consumer products information on any significant risk of injury associated with the manufacturer's products. The program's workload includes these items:

Clearinghouse Data Requests....	5,300
Reported Incidents:	
Mailed for confirmation.......	4,200
Mailed to manufacturers.......	1,600
Accident Investigation Reports:	
Mailed to manufacturers.......	1,600

The Public Information Services effort responds to the public's request for information, other than publications, and provides proactive efforts to reach consumers with important hazard reduction information. Included under this effort is the toll-free consumer telephone Hotline service to respond to both complaints and requests for information. The media relations activity responds to media requests for information. The agency meets the Freedom of Information Act (FOIA) requirements under this effort. The program's workload includes these items:

Hotline:	
Calls answered	170,000
Complaints processed	2,000
Recalls/alerts announced	20
Letters answered	4,000
Freedom of Information Act	10,200

1995 Changes:

The Commission 1995 program continues to advance the long range plan by both strengthening the consumer information tool as well as better focusing resources on those consumers at greatest risk.

The CI program FTEs remain unchanged and dollars increase by $140,000 in 1995. The dollar increase consists of the program's share of 1995 inflation, and the program's share of the increase requested for automation.

There is also a shift of one FTE from the Continuing Publications and Outreach program to the Hazard Projects effort to reflect 1995 workload requirements.

Under Continuing Publications and Outreach, a new pilot effort, directed at vulnerable populations, will explore the use of new and existing networks to better target product safety messages. This change is consistent with the long range plan goal of strengthening the agency's hazard reduction tools and to focus resources on those at greatest risk.

The OMB level reduces the Commission request for this program by two FTEs (four percent) and $142,000 (23 percent) in contract support. One FTE reduction means less clerical support in processing Freedom of Information requests. The second FTE reduction results from the deletion of the proposed new Vulnerable Populations project designed to help focus Commission consumer efforts.

The $142,000 contract reduction eliminates all state and local government support to Commission consumer information efforts, eliminates contracts for the deleted Vulnerable Populations project, reduces support to Commission recalls, alerts, and video communications, and deletes all funds for automation and database development under this program.

Program Detail:

	1993 Actual		1994 Appropriation		1995 Commission Request		1995 OMB Level	
	FTEs	Amount	FTEs	Amount	FTEs	Amount	FTEs	Amount
Hazard Projects	3	$318	1	$113	2	$169	2	$143
Cont. Publications and Outreach	12	1,150	16	1,402	15	1,334	14	1,301
Clearinghouse	7	423	7	536	7	554	7	539
Public Info. Services	20	1,798	24	2,042	24	2,082	23	2,017
Program Support	3	342	4	354	4	448	4	415
Total	45	$4,031	52	$4,447	52	$4,587	50	$4,415

Hazard Projects

Two hazard campaigns are proposed in 1995. These campaigns support and complement several important hazard reduction efforts developed earlier under the HAR program. One additional FTE is required to support these campaigns in 1995.

The Pool Safety project continues to promote the efforts to reduce child drownings in residential swimming pools and reduce diving injuries. CPSC encourages pool owners and others to follow a number of pool safety recommendations.

The Playground Safety project, new in 1995, will provide a proactive effort to disseminate the findings of the Commission's playground safety effort. The 1995 work will reach parks and recreation personnel, school officials, equipment purchasers and installers through a series of state-wide injury prevention conferences. There are 15 deaths and 170,000 playground equipment related injuries that occur annually.

State/Local Contract funds continue to promote consumer information projects at the state/local level. These inexpensive "seed money" efforts are effective in encouraging states to develop companion product safety programs that multiply support for the Commission's hazard projects, as well as ongoing hazard reduction efforts. Funds allocated for 1995 will reach vulnerable populations with child safety, fire safety, and other product safety information.

The OMB level eliminates the $20,000 contained in the Commission request for purchase of state and local government services to help disseminate consumer information on the most current hazards, one of the most efficient way the Commission has to get information to the grass root level.

Continuing Publications and Outreach

This subprogram includes resources to distribute publications, initiate media contacts, work with state and local organizations, and promote child safety. The Vulnerable Populations initiative in 1995 will reach vulnerable groups with safety information about product hazards and recalls. A decrease of one FTE results from minor reductions in several projects to support increased hazard projects elsewhere in the Consumer Information program.

The Distribution Services project will continue to distribute more than one million pieces of agency consumer information. In addition to publication distribution, special mailings are conducted periodically to advise safety organizations, state and local governments, and the media about unique or emerging hazards, and to elicit incident reports about particular product safety hazards. Coalition-building efforts will encourage groups to reprint and distribute CPSC safety information through their national networks. For example, in 1992, indoor air quality publications were mailed to all 5,000 health departments, and electrical safety information was mailed to more than 3,000 home inspectors.

Ongoing/Seasonal efforts conducted each year maintain consumers' awareness of recurring safety problems. Efforts include electrical safety, holiday and toy safety, nursery equipment, safety for older consumers, lawn mowers and power equipment, Halloween, fireworks, poison prevention, smoke detectors, CO/fuel gas detectors, and home heating equipment. The tasks involve reviewing and updating publications, and encouraging national and regional organizations to use or reproduce CPSC information. CPSC works with regional and national coalitions, such as the Poison Prevention Week Council, the National 4-H Council, the American Society of Home Inspectors, and the Indian Health Service, to coordinate annual information programs.

The Child Safety project continues at the same level as in 1994. Highly technical information on children's safety is translated into layman's terms and provided to the public through trade shows and seminars, special events, and news conferences for children's safety and holiday/toy safety. Also included in the project is staff time for updating agency publications and the development of information materials on new hazards. Resources will be used to enhance networking with child safety organizations. Through networking channels, CPSC staff will support child safety coalitions and organizations with CPSC-developed information and publications.

The Vulnerable Populations effort is a new project that builds on the 1994 project New Parents Outreach and focuses on the need to disseminate product safety information to low-income, disabled, older, non-English-speaking, and other vulnerable populations. This effort addresses long range plan objectives to strengthen agency hazard reduction tools and to apply resources to those consumers at greatest risk. Specially developed print and audiovisual materials would be distributed through existing networks serving these populations, such as the Women/Infants/Children (WICs) program, Head Start, Area Agencies on Aging, 4-H, National Association of Consumer Agency Administrators, Association of Food and Drug Officials, and others. Product hazards addressed by this project include fire safety, falls, electrical safety, scalds, and others.

The OMB level reduces the Commission request for this subprogram by cutting FTEs by one and contract dollars by $42,000. These reductions result in the deletion of the proposed new Vulnerable Populations project designed to better target agency information efforts to high risk populations and make more effective use of existing specialized distribution channels. Also, the number of news releases and public announcements decrease by 15 (11 percent) and news conferences by two (17 percent).

Clearinghouse

The Clearinghouse project will be continued at the 1994. The Injury Information Clearinghouse is required by Section 5 of the Consumer Product Safety Act. Clearinghouse responsibilities include responding to Freedom of Information Act requests for injury data and filling information requests from Commission staff and others. The Clearinghouse also disseminates injury data to the public through an annual publication.

Section 6(c) of the Act also stipulates that the Commission must communicate to each manufacturer of a consumer product, insofar as practical, information as to any significant risk of injury associated with such a product. The Clearinghouse mails consumer complaints, reported incidents, and accident investigation reports to manufacturers twice a month. The Clearinghouse also mails complaints and reported incidents to complainants for confirmation. Section 6(b)(1) requires that the Commission take reasonable steps to assure the accuracy of information that identifies a manufacturer or private labeler.

Public Information Services

The Commission proposed no change in this effort for 1995. The Public Information Services effort includes resources to respond to the public's request for information, other than publications described in the Continuing Publications and Outreach effort.

The Media Relations/Special Projects effort continues to respond to media requests for information, interviews, and articles by Commission officials. Outgoing calls are made to media representatives announcing various Commission activities, such as news conferences, meetings, hearings, and other Commission functions of public interest.

The Hotline toll-free telephone service expects to answer some 170,000 calls in 1995, 2,000 of which will be firsthand reports of product-related deaths, injuries, or other problems. Other calls include requests for information on recalls, and safety alerts.

The Freedom of Information Act (FOIA) project will continue to provide agency response to about 10,200 annual FOIA requests from the public. Similarly, the Correspondence/Research project will continue to provide consumers and industry information in response to about 4,000 annual inquiries about CPSC actions.

Video Communications will continue to use television to reach millions of consumers with safety information about product hazards and recalls. This effort will produce two to four short TV news features identifying consumer hazards and offering remedies or safe use recommendations. Videotapes of recalled products also will be produced by this effort. Such inexpensive video releases are used widely by local TV stations and networks in broadcast and community programming. Past experience indicates that these releases are often seen by 5 to 10 million viewers or more.

The Recalls/Alerts project continues to provide the print material production of approximately 20 safety alerts on recalls and emerging product hazards. Safety alerts are reproduced widely by newspapers and newsletters and are an inexpensive and effective means to disseminate information about hazardous products.

The OMB level reduces the Commission request for this subprogram by one FTE and $23,000 in contract support. The one FTE reduction will lessen clerical support to the agency FOIA project, resulting in longer response times. Recall and alert announcements will be reduced by five (25 percent). In addition, contracts for graphics needed for recalls

and alerts is cut by $10,000 or 40 percent. Some recall and product hazard notices will not have the clarifying illustrations to guide consumers. Finally, funds in support of Video Communications are cut $13,000 or 18 percent; this will result in diminished output through television which has proven to be the most effective "first" alert mechanism.

Program Support

This effort provides staff resources to work directly with other units of the Commission to integrate public information into the overall work of the agency. This effort does not change in 1995.

The OMB level eliminates all ($57,000) for this program's share of the agency's automation and database development effort. The result will be to halt the establishment of the Commission Information System.

VII. AGENCY MANAGEMENT

	1993 Actual		1994 Appropriation		1995 Commission Request		1995 OMB Level	
	FTEs	Amount	FTEs	Amount	FTEs	Amount	FTEs	Amount
Total Program......	106	$8,365	96	$8,022	96	$8,628	93	$7,763

Goals and Strategies:

The Agency Management (AM) program provides policy, executive direction, legal guidance and administrative services necessary to function as a Federal regulatory agency. Most of the functions provided are required by law or regulation.

1994 Base Program:

The 1994 resources include 96 FTEs and $8.0 million. As a percentage of total Commission resources, dollars have declined from 24 percent in 1989 to 20 percent in 1995 and FTEs have declined from 26 percent to 19 percent.

1995 Changes:

FTEs for this program remain unchanged, while dollars increase by $606,000. The dollar change reflects a net of these changes: (1) an increase for the program's share of the agency increase necessary to meet 1995 inflation costs; and (2) an increase for the program's share of the agency program increase recommended for automation.

The OMB level reduces the Commission request for this program by three FTEs and $326,000 in contract support. The three FTE reduction eliminates one FTE each in these subprograms: Commission Advice/Legal Guidance (Office of the Inspector General); Executive Direction (Office of the Budget) and General Administrative Services (Automated Data Processing). These FTE reductions will mean less support to the Agency staff in the subject areas.

The $326,000 reduction represents this program's share of the agency automation and database development effort. A major effort to convert administrative databases such as agency files, official records, personnel, etc. into modern, efficient automated formats so as to reduce future staff requirements now devoted to maintaining these databases would not be achieved at this level.

Program Detail:

	1993 Actual		1994 Appropriation		Commission Request		1995 OMB Level	
	FTEs	Amount	FTEs	Amount	FTEs	Amount	FTEs	Amount
Commissioners and Staff	13	$1,381	13	$1,356	13	$1,398	13	$1,380
Commission Advice/Legal Guidance............	14	1,266	14	1,405	14	1,449	13	1,280
Executive Direction....	15	1,469	9	1,002	9	1,042	8	888
General Admin. Services	64	4,249	60	4,259	60	4,739	59	4,215
Total.........	106	$8,365	96	$8,022	96	$8,628	93	$7,763

Commissioners and Staff

This project includes support for three Commissioners and their staffs. The Commissioners provide policy direction and guidance to the staff and make final decisions on Commission regulatory and enforcement actions.

Commission Advice/Legal Guidance

Included in this activity are the Office of Congressional Relations, Office of Equal Employment Opportunity and Minority Enterprise, the Office of the Inspector General, and a portion of the Office of the Secretary and Office of the General Counsel. These offices are directly responsible to the Commissioners, providing advice and assistance on matters of policy and management.

The Office of the General Counsel (OGC) is responsible for enforcement and defense litigation, document preparation and review, legal advice, and ethics coordination. Where possible, OGC time is budgeted in other programs for projects which OGC directly supports. The time shown in this program (three FTEs) covers legal review for personnel matters, contracts, ethics coordination, and other general law matters.

The Office of the Inspector General (OIG) conducts audits, investigations, and inspections of Commission programs and activities to prevent and detect waste, fraud, and abuse and ensure compliance with policies and regulations.

The OMB request reduces the Office of the Inspector General by one auditor FTE. This will mean less audits and inspections.

A portion of the Office of the Secretary (OS) is supported in this program. Where possible, OS time is budgeted in other programs for projects it directly supports. Efforts in this program ensure that Commission decisions are properly recorded, maintained, available to the public. The office issues Commission decisions, orders, rules, Federal Register notices, and other official documents for the Commission. The office is also responsible for preparing Commission agendas under the Government in the Sunshine Act, for supervising and administering the dockets of adjudicative proceedings, and for processing Continuing Guaranties (certificates of compliance) as required by the Flammable Fabrics Act.

The Office of Equal Employment Opportunity and Minority Enterprise assures that the Commission complies with all laws, regulations, rules and internal policies relating to equal employment opportunity. It also assures compliance with the Small Business Act.

The Office of Congressional Relations continues to respond to congressional inquiries on legislation affecting product safety.

Executive Direction

This activity includes the Office of the Executive Director, and the Office of the Budget. These offices provide direct, day-to-day management of agency programs and operations. They are responsible for coordinating and directing agency activities in a manner consistent with the policy decisions and guidance provided by the Commission.

The OMB request reduces the Office of the Budget by one Analyst (or 25 percent). Less studies of cost reduction measures to assist in meeting long term agency streamlining goals and less oversight and control of the agency's resources will result from this reduction.

General Administrative Services

The General Administrative Services subprogram represents those activities providing direct administrative support for Commission programs. These include personnel administration, contracting services, accounting, automated data processing, library services, printing, security, etc. Each of these services is essential to ensuring efficient operation of the Commission's programs and conformance to current government management regulations.

The OMB level reduces the Division of Automated Data Processing under General Administration by one FTE. This will mean less computer support to the agency staff despite the agency being in the midst of a major automation development effort. The reduction in ADP contract funds from this program brings all database conversion efforts to a halt.

Program and Financing
(dollars in thousands)

	1993 Actual	1994 Appropriation	1995 Commission Request	1995 OMB Level
Program by Activities:				
Direct Program:				
Hazard Identification and Analysis.	$5,904	$6,352	$6,577	$6,214
Hazard Assessment and Reduction....	9,432	8,861	9,109	7,920
Compliance and Enforcement.........	14,137	14,604	15,298	13,888
Consumer Information...............	4,031	4,447	4,587	4,415
Agency Management..................	8,365	8,022	8,628	7,763
Relocation.........................	5,021	1,279	--	--
Total, direct program...........	46,890	43,565	44,199	40,200
Reimbursable program...............	513	692	692	692
Total obligations...............	47,403	44,257	44,891	40,892
Financing:				
Unobligated balance available, start of year..................	--	-1,279	--	--
Unobligated balance available, end of year....................	1,279	--	--	--
Unobligated balance expiring......	231	--	--	--
Budget authority (gross).........	48,913	42,978	44,891	40,892
Budget Authority:				
Current:				
Appropriation....................	48,400	42,286	44,199	40,200
Permanent:				
Spending authority from offsetting collections..........	513	692	692	692
Relation of Obligations to Outlays:				
Total obligations................	47,403	44,257	44,891	40,892
Obligated balance, start of year..	5,067	9,053	8,346	8,346
Obligated balance, end of year....	-9,053	-8,346	-8,299	-7,699
Adjustments in expired accounts...	-591	--	--	--
Outlays (gross)..................	42,826	44,964	44,938	41,539
Adjustment to Budget Authority and Outlays:				
Deductions for offsetting collections:				
Federal Funds....................	-504	-677	-677	-677
Non-Federal Sources..............	-9	-15	-15	-15
Total, Offsetting Collection......	-513	-692	-692	-692
Budget Authority (net)..........	$48,400	$42,286	$44,199	$40,200
Outlays (net)...................	$42,313	$44,272	44,246	40,847

Note: While the 1995 total budget authority cited in this schedule agrees with the Budget Appendix schedule the details do not because of a late chang

Object Classification
(dollars in thousands)

		1993 Actual	1994 Appropriation	1995 Commission Request	1995 OMB Level
	Direct Obligations:				
	Personnel Compensation:				
11.1	Full-time permanent	$24,239	$24,653	$25,093	$24,735
11.3	Other than full-time permanent	1,155	1,164	1,180	905
11.5	Other personnel compensation	320	280	275	200
11.8	Special personnel services payments	10	--	--	--
11.9	Total personnel compensation	25,724	26,097	26,548	25,840
	Personnel benefits:				
12.1	Civilian	4,360	4,433	4,517	4,402
13.0	Benefits for former personnel	31	30	30	30
	Subtotal, Compensation and Benefits	30,115	30,560	31,095	30,272
21.0	Travel and transportation of persons	619	725	795	660
22.0	Transportation of things	35	45	45	41
23.1	Rental payments to GSA	3,262	3,393	3,455	3,355
23.2	Rental payments to others	37	36	39	38
23.3	Communication, utilities and miscellaneous charges	1,062	1,275	1,229	1,123
24.0	Printing and reproduction	438	327	310	295
25.1	Consulting Services	200	175	240	50
25.2	Other services	5,657	5,211	5,902	3,972
26.0	Supplies and materials	632	641	689	358
31.0	Equipment	4,833	1,173	396	32
42.0	Insurance claims and indemnities	--	4	4	4
99.0	Subtotal, direct obligations	46,890	43,565	44,199	40,200
	Reimbursable Obligations:				
11.0	Personnel compensation	89	--	--	--
12.0	Personnel benefits	12	--	--	--
21.0	Travel and transportation of persons	40	45	45	45
25.0	Other services	372	647	647	647
	Subtotal, reimbursable obligations	513	692	692	692
99.9	Total obligations	$47,403	$44,257	$44,891	$40,892

Note: While the 1995 total budget authority cited in this schedule agrees with the Budget Appendix schedule the details do not because of a late change in the budget authority amount.

Personnel Summary

Direct:	1993 Actual	1994 Appropriation	1995 Commission Request	1995 OMB Level
Total compensable work years:				
Full-time equivalent employment.	523	518	510	487
Full-time equivalent of overtime and holiday hours..............	1	1	1	1
Reimbursable:				
Total compensable work years:				
Full-time equivalent employment.	1	--	--	--

Note: The 1995 FTE levels differ with the Budget Appendix schedule due to a late change in budget authority amount.

Resources by Organization
(dollars in thousands)

Organization	1993 Actual FTEs	1993 Actual Amount	1994 Appropriation FTEs	1994 Appropriation Amount	1995 Commission Request FTEs	1995 Commission Request Amount	1995 OMB Level FTEs	1995 OMB Level Amount
Commissioners	13	$1,186	13	$1,226	13	$1,263	13	$1,200
Office of the Secretary	16	812	16	856	16	882	15	778
Offfice of Congressional Relations	3	171	3	183	3	188	3	179
Office of the General Counsel	14.5	1,287	14	1,240	14	1,277	13	1,153
Office of Equal Employment Opportunity and Minority Enterprise	2	165	2	189	2	195	2	185
Office of the Inspector General	3.5	244	3.5	295	3.5	304	2.5	229
Office of the Executive Director	4	362	5	466	5	480	5	456
Relocation Team	4	304	--	--	--	--	--	--
Office of the Budget	5	292	5	323	5	333	4	256
Office of Planning and Evaluation	5	372	5	393	5	405	5	385
Office of Hazard Identification and Reduction	7	531	7	551	7	568	7	540
Directorate for Epidemiology	62	5,174	62	5,213	62	5,369	61	5,041
Directorate for Economic Analysis	15	1,346	15	1,389	15	1,431	15	1,359
Directorate for Engineering Sciences	53	4,530	53.5	4,526	52.5	4,602	51.5	4,312
Directorate for Health Sciences	34	2,605	36	2,777	35	2,800	35	2,660
Office of Information and Public Affairs	10	1,364	11	1,372	11	1,413	10	1,282
Office of Compliance and Enforcement	41	2,798	41	2,832	40	3,250	40	2,695
Directorate for Administration	61.5	3,618	62	3,765	62	4,273	61	3,611
Field Offices	146.5	10,608	148	10,380	145	10,511	144	9,925
Common Costs	--	4,100	--	4,310	--	4,655	--	3,954
Relocation	--	5,021	--	1,279	--	--	--	--
Total Direct Obligations	500	$46,890	502	$43,565	496	$44,199	487	$40,200
Non-Ceiling Employment	23	--	16	--	14	--	--	--
Total	523	$46,890	518	$43,565	510	$44,199	487	$40,200

Summary of Field Resources
(dollars in thousands)

Staff (FTEs)	1993 Actual	1994 Appropriation	1995 Commission Request	1995 OMB Level
Hazard Identification and Analysis	25	25	25	25
Hazard Assessment and Reduction...	2.5	5	5	5
Compliance and Enforcement........	100	100	97	96
Consumer Information..............	19	18	18	18
TOTAL.....................	146.5	148	145	144
State and Local Contracts				
Hazard Identification and Analysis:				
Investigations..................	$10	$10	$10	--
Compliance and Enforcement:				
Section 15 Support...............	35	35	45	--
Regulated Products...............	65	65	55	--
ATV Monitoring..................	100	100	100	--
Subtotal C & E...........	200	200	200	--
Consumer Information:				
Hazard Project Campaigns.........	20	20	20	--
TOTAL.....................	$230	$230	$230	--

Voluntary and Mandatory Standards Summary

VOLUNTARY STANDARDS UNDER DEVELMENT	1993 Actual	1994 Appropriation	1995 Commission Request	1995 OMB Level
Participating:				
Fire/Household.............	11	8	9	9
Electrical/Mechanical/Child	2	2	2	2
Chemical..................	--	--	--	--
Subtotal Participating...	13	10	11	11
Monitoring:				
Fire/Household.............	2	2	2	2
Electrical/Mechanical/Child	19	14	16	16
Chemical..................	7	6	4	2
Subtotal Monitoring......	28	22	22	20
Total Voluntary Standards	41	32	33	31
MANDATORY STANDARDS UNDER DEVELOPMENT				
Fire/Household.............	1	1	1	1
Electrical/Mechanical/Child	4	2	1	1
Chemical..................	2	5	2	2
Total Mandatory Standards	7	8	4	4

Note: 1993 data includes standards work gathered by petitions and other sources; 1994 and 1995 data does not include estimate for such probable additional standards. Therefore 1994 and 1995 actual data may be higher.

Status of Metrication Activities at CPSC

In accordance with Department of Commerce direction, CPSC developed and submitted a plan and status report in 1992 on agency efforts to adopt the metric system. The plan included provisions within the contracting process to assure compliance with the requirements of the Act, in addition to providing the bases for granting exemptions under the law. The plan also outlined training to be provided to agency personnel to help meet the requirements.

To date, procurement activities have included the adoption of instructions for the use of the metric units in all procurements where feasible. Scheduled procurements (of GSA items) are subject to metric conversion by GSA. Procurements of programmatic technical support are being effected in metric units.

Programmatic activities are handled on a case-by-case basis. Some regulatory development actions consist of amendments to or modifications of preexisting regulations that employed customary units. In other cases, prospective regulatory development activities are based upon unique data sources originating in customary units. Because of the unique problems associated with such regulatory activity, details of the adoption of metric units of measurement are being addressed individually for each case.

1995 PRIORITY PROJECT
HOME ELECTRICAL SYSTEM FIRES

PURPOSE OF THE PROJECT:

Selected as a priority project in 1994, this three-year effort is intended to reduce the incidence of injuries and deaths from electrical fires in dwellings. In 1990, 340 died in fires related to residential electrical systems.

One of the key aspects of the project is finding ways to upgrade the wiring at reasonable cost. Fires that originate in the electrical distribution systems of residences are more numerous than those associated with other residential electrical sources. Over the past ten years, these fires do not exhibit the decreasing trend observed in total residential fires from all sources. A study published by CPSC in 1987 indicated that the frequency of these electrical-system fires was disproportionately high in homes more than forty years old. The specific defects associated with these fire indicated that most of these home electrical distribution systems had neither been inspected nor rehabilitated since they were new. Many of the accidents involving homes with older wiring could be eliminated with relatively inexpensive upgrading of the wiring and/or the installation of whole-house ground-fault protection or other safety system.

Identifying this as a Priority Project for two years and insuring that CPSC participation is not interrupted by diversion of Commission staff personnel can help to maintain momentum of action by non-Commission groups. The nature of the implementation of corrective measures developed under this project requires effort from many groups in addition to the Commission. To achieve reduction of fire incidence in neglected older homes, many authorities and agencies -- code bodies, local authorities having jurisdiction, electrical inspectors, and others-- must be persuaded to take action.

PREVIOUS ACCOMPLISHMENTS:

In 1991, the National Fire Protection Association (NFPA), with support from CPSC, established a committee (NFPA-73) to develop a model electrical re-inspection code for existing homes. A CPSC electrical engineer is a member of this committee. The committee drafted a model code that was adopted in the fall of 1993.

1994 ACTIVITIES:

Three steering committees will be created:

1. A new technology assessment committee to recommend and help foster promising developments like whole-house sensors and protectors.

2. A rewiring methods committee to address the issue of identifying safe, practical and low-cost products to replace worn, dangerous electrical wiring and assemblies.

3. An electrical reinspection code committee to promote the adoption of an electrical reinspection code like the one developed by NFPA.

The 1994 Priority Project plan includes:

a. assessment of new technology, by contract, for innovative low-cost electrical system protective devices, including "whole-house ground fault protection", and economical wiring components for rehabilitation of residential electrical systems.

b. development of an electrical reinspection code and study of existing remodeling codes and guides to identify economical examples to recommend for adoption and use.

c. study of the socioeconomic and geographic distribution of residential electric system fires, to guide location of corrective efforts.

d. development of electrical system rehabilitation cost data by means of a contract to survey repair cost estimates in different localities and to analyze the factors that contribute to these costs.

1995 PRIORITY WORK: .

The proposed priority project would build on the initiatives of the 1994 Priority Project:

a. Results of the contract evaluation of new technology will be communicated and promoted to electrical- and building-code bodies, fire authorities, the insurance community, electrical inspectors, and the authorities who adopt and enforce electrical codes in various jurisdictions. The goal will be to encourage installation of promising safety devices to reduce the incidence of residential electrical fires, and the causalities associated with them.

b. By contract, conduct demonstration electrical rehabilitation of three or four typical older homes and record the history of one project with a broadcast-grade video tape to be used for future promotion of electrical upgrading.

c. Promote adoption of the NFPA-73 Reinspection Code to jurisdictional authorities and to other groups that can influence them, such as real-estate interests and some of the groups listed in a. above. Promote state and local adoption of code requirements for low-cost upgrading of residential electrical systems.

d. Analyze geographic and socioeconomic data to establish strategies for promoting upgrading of outmoded residential electrical systems.

e. Prepare and distribute promotional materials and technical information to encourage the use of low-cost materials and methods for rehabilitating outmoded residential electrical systems.

1996 WORK:

Activities in 1996 will be directed to encourage application of the information developed in the previous two years:

a. Continue support and improvement of NFPA-73, Electrical Reinspection Code.

b. Continue promotion of the adoption of NFPA-73 to local jurisdictions, fire-insurance community, fire authorities, and others.

c. With the aid of the videotape produced in 1995, continue promotion of new technology and low cost electrical construction methods to reduce the costs of upgrading older homes.

d. Using the geographic and socioeconomic data developed in 1995, continue promotion of reinspection and electrical upgrade in areas and communities where need is greatest.

The OMB level reduces program contracts by $90,000 or 72 percent. This means that only one demonstration of how to upgrade wiring will be constructed. Four were originally planned to illustrate types of housing and appropriate upgrades for four different regions of the country. The scaled back demonstration will no longer represent the full range of wiring problems that exist in different geographic areas. This will decrease the overall effectiveness of the information being disseminated. Because of the contract reduction, the Commission no longer classifies this effort as a priority project.

Comparison of 1995 Levels
Commission Request vs. OMB Level

	FTEs	Dollars ($000)	Explanation
1995 Commission Request......	510.0	$44,199	
HIA:			
Investigations............	--	-10	This will eliminate the number of on-side investigations performed by state and local governments. Thus reducing needed information on the cause and effect of injuries and deaths. This will impair the agency's ability to address product hazards.
Econ. Special Studies......	--	-20	Reduce contract support (80%). This will cripple the Commission's ability to conduct the economic studies and surveys necessary to properly assess the costs of hazards being evaluated as part of the risk-based decision making process.
Hazard Screening..........	--	-20	Delete contract support. The deleted funds were to be used to assist in the development of the ten comprehensive hazard reports which are the cornerstone to risk-based decision making for the agency.
Project Analysis..........	--	-50	Delete contract support. The lack of contract support will hamper the Commission's ability to develop remedial strategies for product hazards in a timely manner. It will also curtail the development of projects for the HAR program.

	FTEs	Dollars ($000)	Explanation
Program Support............	-1.0	--	Reduce management time. This means less oversight.
HAR:			
Ranges/Ovens...............	--	-$15	Reduce contract support (13%). Less data will be collected on fire accident mechanisms and product features involved in the incident. Remedial strategies will be developed based on less data and will not be as complete. This makes it more difficult to persuade manufacturers to make the safety improvements recommended by the Commission.
Fire/Gas V/S...............	--	-10	Delete contract support. The revision and coordination of guidelines for field investigation of incidents involving space heaters and gas grills will be delayed. This will delay specific data needed to address hazards with space heaters and gas grills.
Building Codes.............	--	-15	Delete contract support. Swimming pool gate latch safety will not be assessed. Potential upgrade to model building codes swimming pool fencing requirements will not be developed. These requirements where intended to address the annual 300 child (under age five) drownings in residential pools.
Home Elect. Sys. Fires.....	--	-90	Delete contract support. Presentation of project recommendations would be scaled back and would no longer be descriptive of housing nationwide. Would decrease the effectiveness of the dissemination of this information.

	FTEs	Dollars ($000)	Explanation
Electrical VS..............	--	-$20	Delete contract support. Recommendations to address Ground Fault Circuit Interrupter (GFCI) miswiring and recommendations on GFCI consumer information will be developed in-house rather than contracted out. Will cause delays in development of the information.
Ladder Electrocution.......	+1.0	-212	Delete contract support. Will investigate only one possible electrocution prevention technique in-house instead of multiple techniques through a contract. Other technically feasible protection techniques will not be pursued, decreasing the options and approaches available to remedy the problem.
Infant Suffocation.........	--	-51	Delete contract support. Laboratory testing of some death scene and purchased bedding samples would be eliminated, narrowing the range of products evaluated. Focus groups for information, education and labeling would be eliminated compromising the effectiveness of some efforts.
IAQ........................	-2.0	-125	Delete HVAC work which preliminary studies indicate may provide methods of improving residential indoor air quality. This halts progress that CPSC has made in this area. CPSC is the only Federal agency working in this important area.

	FTEs	Dollars ($000)	Explanation
Poison Prevention	+1.0	-$84	Delete contract support; increase staff time. Data on ingestions of regulated substances will not be purchased from AAPCC. Data on drug marketing practices will also not be purchased. This will decrease the scope and depth of drug information available to identify new hazards which may require child-resistant closures.
Lab Equipment	--	-233	Delete all equipment replacement planned to allow the laboratories to provide state-of-the art efficient and accurate technical support to hazard reduction and enforcement efforts.
CE:			
PSA	--	-72	Reduce contract support (63%). Will reduce technical testing to determine if substantial product hazards exist under Section 15 of the CPSA and FHSA. Resulting in fewer defective products being removed from the marketplace thereby placing consumers at increased risk of injury and death.
Sect. 15 Investigations	+1.0	--	Increase Field support.
Section 15 Task Force	--	-50	Delete contract support. No support funds to provide outside technical expertise for highly complex investigations or litigations where Commission expertise is inadequate. This will reduce the number of corrective actions of the more serious defective products.

	FTEs	Dollars ($000)	Explanation
S/L Section 15.............	-1.0	-$45	Delete project. Eliminates the purchase of in-depth incident investigations and recall effectiveness checks by state and local governments and reduces sources of investigation leads. Potential cases will go unidentified.
S/L Regulated Products.....	-2.0	-15	Delete project. Reduces number of investigations and recall effectiveness checks. Lessens the number of violative products that will be identified by state and local authorities in geographic areas where there are no CPSC personnel.
Reg. Products Litigation...	-1.0	--	Reduce OGC support for litigation.
PPPA Enforcement...........	--	-45	Reduce contract support (69%). This eliminates contracts to stimulate enforcement of prescription drug child-resistant closures by state and local officials. Also reduces child-resistant protocol testing of between two and four safety closures which could result in children ingesting hazardous chemicals or drugs.
Toys.......................	--	-20	Delete contract support. Eliminates state testing to identify possible violative toys. Most violations are small parts therefore increasing the risk of choking hazards to children.
Household Chemical.........	--	-15	Reduce contract support (50%). Reduces the number of biological test by half. These test identify violations of the FHSA warning label requirements. Ten products which are suspect of violations will not be tested.

	FTEs	Dollars ($000)	Explanation
Fireworks.....................	--	-$10	Deletes S/L contract. Eliminates funds to stimulate Class B fireworks enforcement activities by state and local officials. This eliminates the Commission's ability to use states for enforcement of the most dangerous fireworks.
Cigarette Lighters..........	--	-20	Delete contract support for enforcement of new CPSC regulation. Protocol testing of the new designs will not be performed, therefore only lighters which are clearly not child-resistant will be acted on. Lighters which appear to meet the child-resistance requirements but would still fail the protocol testing may only be discovered through injuries or other complaints.
ATV Monitoring..............	--	-100	Delete contract support. Will not purchase undercover inspections from state and local governments.
CI:			
Ongoing/Seasonal............	+0.5	--	Increase field support.
Vulnerable Populations.....	-1.0	-42	Deletes project designed to help focus efforts on specific audiences and make use of special information networks.
Recalls/Alerts/Spec.Proj...	-0.5	-10	Reduce staff time and contracts (40%). Less recall and safety alert campaigns.
Video Communications.......	--	-13	Reduce contract support (18%). Will mean less use of highly effective TV spots.
FOIA.........................	-1.0	--	OS clerical reduction will create FOIA backlogs.

	FTEs	Dollars ($000)	Explanation
S/L Contracts	--	-$20	Delete state and local government contract support to disseminate consumer information on product hazards, one of the most efficient ways the Commission has to get information to the grass root level.
AM:			
Inspector General	-1.0	--	Less audits will be performed.
Office of the Budget	-1.0	--	Less oversight of financial management and shift of work to agency staff.
Administration	-1.0	--	Reduce ADP effort during a period when agency is expanding automation to become more efficient.
Other Changes:			
FTE Reduction	--	-558	Salaries associated with 9 FTEs.
Non-ceiling Employment	-14.0	-265	Delete student-aide and Coop. programs. Will shift clerical work to professional staff.
ADP Initiatives	--	-649	Delete database improvements.
ADP Base Program	--	-425	Stop automation program at critical juncture. Computer equipment and networking capability has been installed in order to provide staff with integrated, centralized hazard databases. Deletion of funds halts development of databases to implement risk-based decision making.
Subtotal, ADP	--	1,074	
FO Conference	--	-70	Delete field training travel. Will not permit training of field staff on enforcement program changes in past five years. Field staff will be less effective and efficient.

	FTEs	Dollars ($000)	Explanation
Accounting System..........	--	-$250	Defer replacement of aging system (20 years) for which technical support is becoming more expensive (this required technical support may also not even be on the market in the near future).
Training..................	--	-100	Reduce to $80 (56%). Agency training demands are growing to help "rightsize" the agency and prepare staff to implement risk-based decision making. Reduction will not allow adequate training to meet these needs.
Travel....................	--	-65	Reduce by 10%. Reduction will limit effectiveness of entire staff and all programs in performing investigations, advocating safety standard work, and disseminating consumer information.
Other Operating Funds......	--	-185	Reduce by 10%. Reduction will impair staff operations throughout the agency by reducing supplies, postage, printing, telephone costs, etc.
Total Reduction.............	-23.0	-3,999	
1995 OMB Mark...............	487.0	$40,200	

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